

The China Weekly
REVIEW
密勒氏評論報

A Weekly Newspaper Established in 1917

**Yangtze Ship Bombings Bring
Showdown Nearer**

ARTICLES IN THIS ISSUE

President Roosevelt Requests Assurances Directly from
Emperor of Japan

Bombing of Anglo-American Ships and Future U.S. Policy

European Nations Choose Sides

Britain's "Little Gibraltar" at Hongkong Speeds Fortifications
as Japanese Crisis Deepens

Peace or Resistance?

Chinese Troops Withdraw from Nanking on Orders
from Gen. Chiang Kai-shek

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British Warships at Wuhu

Outstanding Events in the Sino-Japanese War

After Nanking—What? By L. I. Tsok

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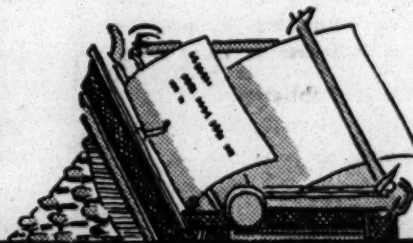
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Contents

Editorial Paragraphs

Bombing of Anglo-American Ships and Future U.S. Policy.....	57
European Nations Choose Sides.....	60
Britain's "Little Gibraltar" at Hongkong Speeds Fortifications as Japanese Crisis Deepens	61
Peace or Resistance?.....	64

Special Articles

Chinese Troops Withdraw from Nanking on Orders from Gen. Chiang Kai-shek	66
Japanese Sink American Warship Near Nanking and Bombard British Warships at Wuhu	68
After Nanking—What?.....By L. I. Tsok	70
Outstanding Events in the Sino-Japanese War.....	74
Men and Events	82
New Books of Interest in the Far East.....	83

CONTENTS OF PREVIOUS ISSUES OF THE CHINA
WEEKLY REVIEW MAY BE FOUND IN THE "INTER-
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BOMBING OF ANGLO-AMERICAN SHIPS AND FUTURE U.S. POLICY

PEARL Buck, American missionary girl who won fame, fortune, a new husband and a penthouse in New York from the profits of her China-inspired book "Good Earth," doesn't think that Americans have any right to demand the protection of their own government in China. In the course of a recent article in *Asia* she declared that strong and sensible governments should make it clear to those of its nationals who choose to live and do business abroad that they must take the risks of those countries to which they go. In her opinion no home taxpayer can justly be called upon to pay for a guard to protect those who wander outside their country for their own personal satisfactions, either moral or material. Finally she declared that the only civilized and sensible policy, for nations that are determined not to become entangled in foreign wars is to declare themselves not responsible for their nationals who choose to live or work or travel abroad. . . . Consuls should be responsible only for business, not for protection.



Walter Lippman, well known political writer and authority on international developments from the American angle, in the course of an article in the *New York Herald-Tribune*, said that the argument of Norman H. Davis American delegate at the Brussels Conference was a noble and deeply intelligent appeal to reason. But, declared Mr. Lippman, "the governments of Japan, Italy and Germany are impervious to that reason. They do not speak that language. They speak the language of Julius Caesar, of Machiavelli, of Cardinal Richelieu and in that language the meaning of words depends ultimately upon the willingness of those who use them and of those who hear them to kill or be killed in their behalf. The Fascist Powers, though potentially weaker than the rest of us, are in fact stronger, because they have the will to fight for what they want and we do not have it." According to Mr. Lippman,

the three Fascist Powers have obtained the initiative in world affairs and with great skill and daring they are pressing home their advantage. At all vital points in the world, the Democratic Powers are fighting rear-guard actions... particularly manifest in China where their influence is at the lowest point to which it has ever been reduced... The Italians, seconded by the Germans, are in effect leading an international revolution against the supremacy of Britain. Finally, the Germans in Central Europe, with the Italians conniving at their advance, are by the same devices of external pressure and internal agitation, ousting the French and their Russian allies. Mr. Lippman might have continued that both the Italians and the Germans are conniving at the aggression of the Japanese in China. He did say that while some deny they are working in concert and have many conflicting interests, it is nevertheless true that their common-interests are overwhelmingly greater than their differences and for the time being each of the conquering Powers has its own more or less separate field of imperial expansion — Japan in China, Germany in Central Europe, Italy in the Mediterranean. Finally, this outstanding writer declared that these three aggressive nations—Japan, Germany and Italy—can go very far and conquer very much if, jointly they can prevent Russia, Britain and America from opposing them.

**

The foregoing statements represent fairly well the opposing points of view now prevailing in the United States with regard to latest happenings on the Yangtze, the outstanding developments of which are referred to elsewhere in this issue. Pearl Buck, who voiced the opinions of those who believe that governments should not concern themselves with their citizens who have gone abroad, unconsciously expressed a policy which was followed in the declining days of the

late Ching or Manchu regime in China when the emperor refused to concern himself with an atrocious massacre of Chinese citizens in Manila. The Chinese community, which had acquired considerable property, was attacked by rioting Filipinos. The weak and corrupt Spanish regime either was unable to provide protection or connived at the ensuing massacre of several

WHILE THE DIPLOMATS DELIBERATE



Fitzpatrick in the St. Louis Post-Dispatch

thousand Chinese. When the matter was brought to the attention of the effete emperor in Peking, he was reported to have shrugged his shoulders and remarked that the Chinese who had gone to the Philippines were unpatriotic, otherwise they would not have left their native land!

While expressing deep sympathy for the victims of Japanese bombers in the latest incidents on the Yangtze and concurring wholeheartedly in the statement of the *Shanghai Evening Post* that the action of the Japanese was worse than a crime, there is, nevertheless, a possibility that the incidents resulting in the killing and wounding of a considerable number of Americans and Britons may yet serve a good purpose in compelling the

two governments to cease their wishy-washy, and thoroughly immoral and hypocritical activities and make a definite stand as to what they intend to do with regard to the Japanese menace. There is now little question in anyone's mind that certain elements in the Japanese military forces have gone amok. The indiscriminate bombings of defenseless Chinese civilians and congested residence districts of Chinese cities which have no military character indicates a mental attitude which is mediaeval in its total lack of humanitarian conceptions. To call these men bandits is to be guilty of applying a misnomer. A more appropriate term is that used by a former Chinese Minister of Foreign Affairs, "savages with machineguns." It was obvious that the continuous and unrestricted massacres of helpless Chinese civilians would sooner or later be extended to Europeans who got in the way of the Japanese Juggernaut. And those who have scrutinized the reports of the bombings of Anglo-American warcraft and commercial vessels are aware of the fact, now quite well realized abroad that the action was deliberate. The statements of the Japanese Ambassador in Washington to the effect that since the Japanese Admiral had been informed of the positions of the American boats the ensuing bombing "was a grave blunder," will obviously not help the situation. While there may be grounds for argument regarding the advisability of stationing a gunboat at Nanking for the protection or evacuation of a handful of citizens who for reason of their own re-

fused to leave a city involved in a desperate war, this did not justify the deliberate attacks on the American and British ships.

EAST IS EAST AND EAST LOOKS WEST



Duffy in the Baltimore Sun

UNCLE SAM, 1937



Herb Block in Washington News

Today, Americans wonder what policy they should follow and at the same time defend the nation's interests. One horse is labeled "Isolation" and the other "Collective Action for Peace."

Coming so soon after President Roosevelt's momentous declaration on American policy with regard to the "reign of terror and lawlessness" in the world, it is inevitable that the Yangtze incidents will bring the matter to a head and compel the Government to take action. No longer is there any point in squabbling about whether or not the British Government is willing to cooperate. The crisis in China has now become an American issue and must be settled by the United States, one way or another—either get out or prepare to fight! The United States is, in many respects, back in the position it occupied before the World War. As the situation is now developing in the Far East the Americans must decide what they intend to do about the Sino-Japanese crisis. In 1917 they decided to enter the conflict and their entrance decided the final outcome. Some have argued that it was a mistake, that America was inveigled into a war declaration by the international bankers and traders in order to save their profits. But despite the critics, American entrance into the struggle prevented the German military clique from winning the war and that achievement, to quote a writer in the *American Observer*, was worth all that we put into the war—all the money, all the lives, all the disarrangements of our industries which resulted. Whether a victorious Germany would have spread its influence over Europe and into the sphere of the Americas is

impossible to say, but since the Americans had no more love for the Prussian conception of society than they have for the Japanese military-fascist feudalistic and contemptuous attitude toward humanity, it was obvious that the United States should register its protest in emphatic and determined manner. That the United States ultimately may take similar action with regard to Japan appears obvious. To quote again from the *Observer*, "If American influence is to be used against aggressors after wars start, it should be used consistently and continuously against aggressor diplomacy when there is still peace in the world and still hope of arranging things so that the aggressors will not dare to set their armies on the march. In other words the American people should make up their minds whether or not they are so closely knit to the rest of the world that they cannot remain isolated. Then having made up their minds, they should act consistently, working through the years of peace and war for the great objectives they have adopted."

EUROPEAN NATIONS CHOOSE SIDES

IN a desperate effort to evade the inevitable axe of Japanese censorship which fell this week, Chinese papers in Shanghai have been devoting a considerable amount of space to the European situation and its relation to the Far East, and have refrained from saying exactly what they thought about the Japanese invasion of China.

However much this concern over Europe may have been dictated by expediency, there can be no doubt that politics in central Europe showed some indication of having an effect on the Far East. Anglo-French conversations in London seem to have revealed a solidarity that had not been expected. Observers have reported that Neville Chamberlain, Anthony Eden, Camille Chautemps and Yvon Delbos are almost in agreement that the present situation requires some strong action on the part of the western democracies.

Following the talks in London, the French Foreign Minister, M. Delbos, set out on a tour of Warsaw, Bucarest, Belgrade and Prague, evidently intending to solidify France's relations with the Little Entente and Poland. Reasons for his trip are evidently the growing fascist tendency in Poland, German influences in Rumania, Italian influences in Yugoslavia and the growing discord between Germany and Czechoslovakia. Major cause of unrest in these allies of France is the unsatisfactory economic condition, which has prevailed throughout Europe since Versailles diplomats tinkered with national boundaries. Into this situation have come Germany and Italy, although both of these countries have had economic situations which were none too steady. Consequently, some of the Chinese papers point out, if M. Delbos could give assurances to these smaller powers that they will be backed financially and militarily against the aggressive intentions of their neighbours, France and Great Britain will have succeeded in clarifying the European situation and then will be able to spend more time considering their Far Eastern problems and interests.

This is all very well, and M. Delbos may be able to swing the smaller European powers into line with the Franco-British policy, but France and Great Britain must do more than settle the so-called central European problem before they will be free to concentrate on the Far East.

The situation in Europe is simply that France and Great Britain are vulnerable. They have what Germany and Italy want. And Germany and Italy are raising a big clamor in an effort to secure recognition for their claims. So far, Great Britain and France have been content to retain the status quo as long as possible and then give in under pressure, but London is beginning to think that concessions have been granted because of a big bluff, and when the actual showdown comes, Berlin and Rome will back down.

London and Paris have counted on the principle of collective security to maintain the status quo, and the system worked very well until it was challenged by the threat of force, and then it broke down when it was seen that collective security existed in treaties and not in the coöperation of the General Staffs. When Japan showed in 1931 and 1932 that she could challenge the treaties that were the basis of collective security with impunity, the entire post-war system wobbled.

Now Italy has, with great pomp, announced her withdrawal from the League of Nations, thus completing the anti-communist group as an anti-League group of nations. The immediate consequences of this move are characterized as nil in most European capitals, where it is pointed out that Italy has simply verified what everybody recognized previously as a fact—that she would not cooperate with the League. But in the long run Italy's move is likely to mean a return to a diplomatic policy similar to that which dominated Europe in the years between 1870 and 1914. The League, instead of having the European character that it had in 1926, will return to a simple organization revolving around Paris and London. Opposed to the League will be the Rome-Berlin-Tokyo triangle, supposedly anti-communistic but actually out for plunder.

Faced with a situation like this, M. Delbos may very well be able to tack down the central European situation but, despite the hope of Chinese papers to the contrary, that would not necessarily allow Paris and London any more time to think about the Far Eastern situation. Sooner or later the western democracies must call the bluff of Berlin and Rome, and the youthful Anthony Eden will continue to develop grey hair until such action is taken. Then, and only then, will France and Great Britain be free from European worries, if such is their intention before taking a stronger attitude in the Orient.

However, there is a possibility that London and Paris have recently come to the conclusion that they have been underestimating their strength. Naturally, they have always had confidence in their ability to settle situations with their economic power, which may explain why Great Britain has been unwilling to take a strong stand with regard to the Spanish civil war, since Italy and Germany can give General Franco military support now but would never be able to give him the economic support he must have if he were to develop Spain, supposing he should win the war. But France and Great Britain have listened to the speeches of Mussolini and Hitler, and they were beginning to believe that militarily Italy and Germany were able and willing to act. There is no definite indication yet that the threats of the dictators are only a bluff, but there is indication that with the developing "rearmament" program of Great Britain, ably supported by France's military budget, the western democracies are experiencing a return of confidence.

All of which means that the division in Europe has simply been clarified, and that the burning questions have not been removed and seem unlikely to be removed in the immediate future. However, and this is what the Chinese papers may have actually intended to note, the returning confidence of London and Paris may yet result in a stronger diplomatic policy in the Far East.

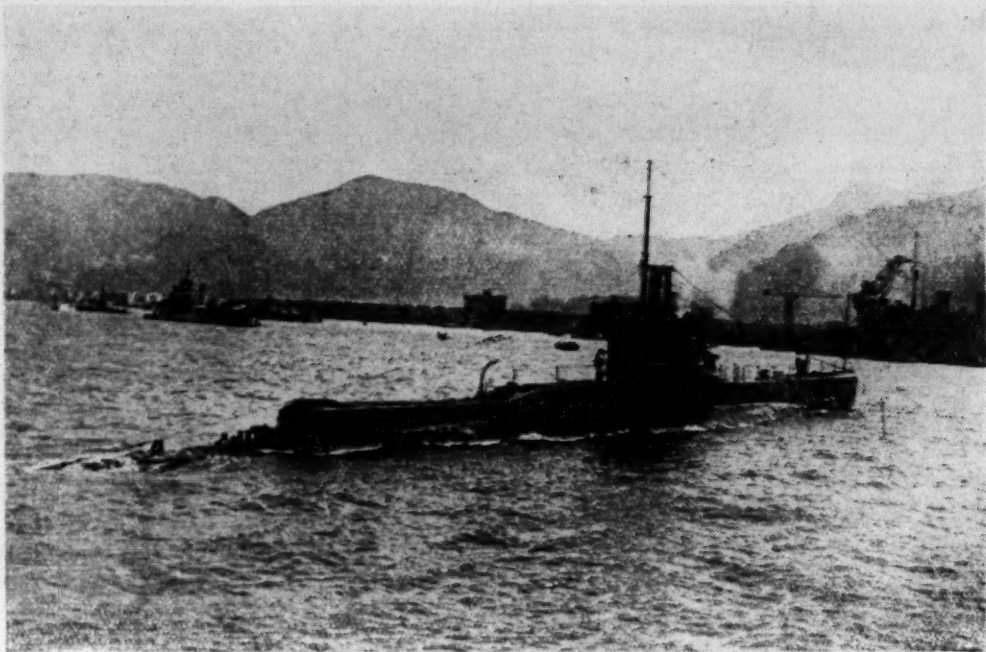
F. G.

Britain's "Little Gibraltar" at Hongkong Speeds Fortifications as Japanese Crisis Deepens

FOR the past four months Shanghai has been in the headlines of the world's press. Will Hongkong take Shanghai's place? Reports of the dispatch of large bodies of Japanese troops from the Shanghai-Nanking front to South China lend a most emphatic YES to the question. Already the Colony has attracted world attention, especially of late. For Hongkong is definitely menaced, and knows it, by Japan. And Hongkong is British territory, Britain's "Little Gibraltar," the "richest rock in the world."

Even as these lines are written comes the report from London that Hongkong's defences are to be even further strengthened, that the original defence scheme now nearing completion will be augmented in conformity with a new naval defence project for the Pacific, supplementing the £20,000,000 being spent on Singapore and fortresses at Penang. For the first time, it is stated, capital ships will be permanently assigned to the China Station, and the present fleet strength in Far Eastern waters reinforced with more submarines, aircraft, destroyers, and auxiliaries. It is even

believed that negotiations are underway with Portugal, whose ties with Britain date back many decades, with the view that Macao be included in a joint defence program. This strategic Por-

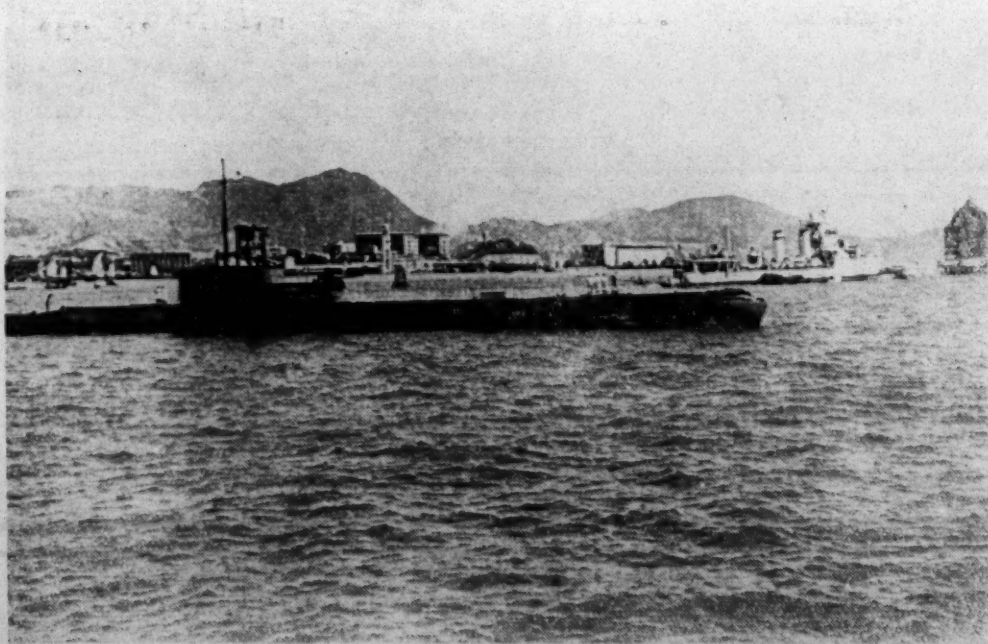


The most modern warcraft comprise the British China Fleet, based mainly at Hongkong. Above is one of the dozen latest-type submarines in the harbor at Hongkong. In the background can be seen a portion of the Naval Dockyards.

tuguese colony is but 40 miles from Hongkong.

Little known to the outside world, Hongkong today is quietly teeming with military activity which makes her "Little Gibraltar" appellation most appropriate. This activity is not apparent to the eyes of the casual observer, even to the average resident of Hongkong. And the British authorities are of no aid in giving anyone information as to what lies or what may be happening in Hongkong's strategic hills. Hongkong soon will be Britain's ace military card in the Far East and in importance on a par with Singapore. As such, it may well prove to be Japan's Waterloo in her march to dominate the entire Far East.

By Hongkong is meant herein not only the island itself, which was ceded to Great Britain in 1841 and which is but 32 square miles, but the entire strategic area of Hongkong under British control. This includes numerous islands, such as



Illustrated here is another modern type of British submarine returning to the Hongkong harbor after maneuvers. The size of this huge craft can be seen from the men standing on the bow. In the center background is the Kowloon terminus of the Kowloon-Canton Railway, while a speedy new destroyer lies anchored in the right center. Despite repeated bombings, the Kowloon-Canton Railway still operates.

Lantau, itself larger than Hongkong, and the New Territories, which cover an area of 360 square miles. Leased in 1898 for a period of ninety-nine years, the New Territories, which border directly on Kwangtung Province, form one of the most important parts of the Colony. The situation of this British outpost of the main route of Far Eastern shipping place it in command of all trading in South China by virtue of its being not only on the path of ocean routes, but of the rail and water routes of the Pearl River Delta, one of the richest and most populous parts of China. If as a trading and commercial center Hongkong is thus, naturally endowed, no less is this true of its potentialities as a military base. These potentialities no longer exist merely as such. Nesting in Hongkong's hills, on her little scattered islands, in the New Territories are units of a vast military machine built up recently so as to meet any threat. Both from the military and commercial points of view, Hongkong is unique.

For many years Hongkong has slumbered, regarding herself able to resist any attack, which Britain then thought would come only from China. Despite stirring events in the past two decades—the general strike and the 1927 Revolution—which might have disturbed her,

Hongkong remained serene. It was only in 1935, when the shadow of Japan loomed over China in serious proportions, that Hongkong began a comprehensive defence program at an estimated cost of more than £5,000,000.

The fanfare regarding the defence program died soon after the announcement. But since then, the actual program has been rushed through in record time and today is almost completed. It



City of Hongkong and its famous "Peak" become most important outpost of the British Empire in the Far East due to Japanese aggression in China which now threatens to include South China within its scope.

is shrouded in the greatest of secrecy and only casual scraps of definite information are clues to the whole story.

First indication that the program was nearing completion were maneuvers held on a large scale this Spring. No pictures were taken of these maneuvers except by War Office cameramen. Newsreel cameramen tried in vain to secure permission to film the war games. A minimum of publicity was given to the entire proceedings, which ended with the curt announcement that the maneuvers "were considered satisfactory." That was all. Hongkong was again forgotten.

But as to what has gone on in the past two years: Consider roads. On the island of Hongkong itself are countless roads and paths which would require months of walking to traverse completely. The paths and roads are very picturesque, but many have been made for quite another purpose. All important routes are paved



Japan would control this too—City of Canton and the congested Pearl River, constituting the hinterland of Hongkong and now chief source of supplies of the Chinese National Armies operating in the interior. Japan would cut the Canton-Kowloon Railway and segregate Hongkong as she has done at Shanghai.

so that guns, heavy and light, can be drawn up to carefully predetermined positions. Unceasing road building has gone on in the past two years not only on Hongkong but throughout the other islands, Kowloon, and the New Territories. Approach one of these new roads and a guard will ask you what you want. You are a newspaperman. Too bad. No one is permitted on these roads. But..... "No buts." And you leave.

From the windows of the Hongkong and Shanghai Bank Building in the center of Victoria City evidences of this new road construction extend as far as the eyes can see. They proceed to every strategic point and at these points are the unknown quantities with which Japan will one day reckon.

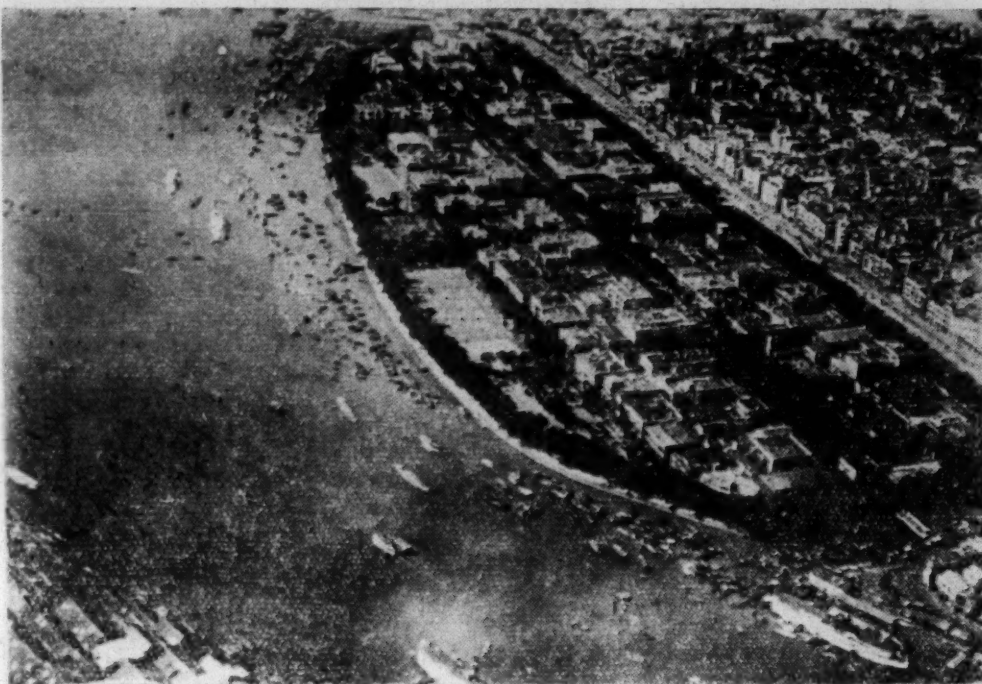
Continuing this analysis of defences, it is pertinent to point out that the Hongkong Volunteer Corps, which in the past was more of a social undertaking, is now most seriously administered and has been greatly expanded. Maneuvers are held regularly, and the volunteers must attend. The Commandant of the Corps has been sent out by the British War Office and the Corps now has an efficiency in men and equipment which belie its reputation and name.

The regular garrison at Hongkong has been considerably strengthened and possesses the most modern equipment in use by British fighting forces. The backbone of this equipment is said to be 16-inch and smaller guns mounted in impregnable positions throughout Hongkong. One needs but visit an abandoned fort in Hongkong to get an idea of what the new forts consist of. At one old fort I saw an 8-inch gun in a steel and concrete position that apparently would defy almost anything. This abandoned position—commanding Lyemooon Pass—is complete with underground passages, a paved road leading up to it, and with an appearance so impressive that one wonders why it has been abandoned.

Even today War Office engineers work like trojans to complete the mounting of new guns and the building of hidden and even more powerful positions. Up at dawn the engineer sets out. At dusk he returns, exhausted. Ask him what he has been doing. "Oh, just messing about." But his clothes show evidences of working in mud, in brambles, in concrete, and in forgotten spots of Kowloon and Hongkong. He will never tell you what he is doing or where he is working. He won't tell you that his 16-inch giants of war are moved under cover of night to their emplacements. But in argument, he'll content himself with saying: "Just let the Japanese have a crack at Hongkong!" He realizes that he has already overspoken. But his expression reveals that there is steel and powder behind his few but knowing words.

Perhaps one of the most important phases in Hongkong's land defence system is against aerial attack, from Japanese bases on the island of Formosa, or from aircraft carriers. Even the Hongkong resident knows that the anti-aircraft volunteer detachments have been more than doubled, and the anti-aircraft garrison likewise. He doesn't know that protecting

him are the latest types of listening ears to which are keyed, at every strategic point, anti-aircraft batteries of the most modern type. These batteries, it is said, consist mainly in the four-inch variety and are sufficient in numbers so that the "box system," the most scientific anti-aircraft defence system devised, can be employed to cover all British territory in the Colony. The box system consists, in brief, of definite numbered and predetermined cubes corresponding to positions in space, such cubes usually being one cubic mile. The anti-aircraft guns are not actually aimed at a plane. That is too hit and miss. Instead, the position, speed, drift, course, and altitude of the plane or planes are



Shameen Island at Canton where the foreigners have their concessions and where the foreign Consulates hotels, and business houses are located.

automatically determined by the listening ears and, for example, an order goes out to "Box 195-B." A few seconds later the responsible batteries, referring to predetermined settings for Box 195-B, immediately "box" the area, filling the designated subic mile or miles with enough steel to bring down even a mosquito in the area.

But wary British military authorities do not rely on these guns alone for defence against enemy aircraft. The R.A.F. strength has been proportionately augmented at Hongkong, but with such secrecy that I can give you only what is said by those "in the know" here. I once pointed out that Kai Tack, the commercial airdrome and terminus of the Pan-American Clippers and Imperial Airways planes, seemed to be the only airdrome. "Don't kid yourself," was the reply of a Hongkong veteran. He went on to explain that from personal knowledge, there was at least one additional airdrome, and that he has heard that there were two additional military 'dromes "... somewhere in the New Territories." No less than 300 military airplanes, he added, are available for instant use, with requisite air and ground personnel and equipment at these airdromes.

Some nocturnal evidence of these statements can be seen as I write. Overhead I can count seven moving lamps, indicating that at least seven planes are in the air. But there are also three aircraft without lights. From all over the Colony, glaring searchlights sweep the skies in all directions. Suddenly one beam finds an airplane. Almost instantly five others join, and the craft is followed by no less than six searchlights. Regardless of how the craft maneuvers, the beams follow it with great precision. And an additional six beams per airplane spot the other two "enemy" craft. Every night for almost the past

two weeks this has been a nightly performance, rain or clear weather.

Suppose the airplanes get through anyway? In such an event, there are a number of bomb-proof shelters, the exact capacity unknown. The authorities, well aware of the remote possibility of the Colony's being bombed, have just announced a two-weeks period of defence maneuvers in which the Colony's 1,500,000 citizens will take part. Except for the presence of real enemy planes, the situation and steps taken will be identical to those in war-time that so each civilian will know his part. Even more important steps have been taken. All essential utilities and military bases have already installed "moonlight" lamps which will replace glaring illumination in time of an air raid.

But Hongkong is mainly envisioned as a naval base. In this sphere, there is every evidence of Hongkong's preparations. Maneuvers of the fleet go on endlessly, cruisers, airplane carriers, submarines and other war craft steaming out of strategic Lyemoo Pass into varying zones. Later, either by day or night, the warships will return, playing about leisurely in the harbor before hundreds of interested ferry passengers.

Hongkong's main harbor, 10 miles square and surrounded by towering hills which often reach a height of 3,000 feet, is regarded as one of the finest in the world, and herein Hongkong really merits being called a "Little Gibraltar." Safely within the entrances of the main harbor are military dockyards and naval depots which in time of necessity, will accommodate not only the some 25 vessels of the regular China Fleet, but more and larger warships as well. The dry-docks at Hongkong will accommodate any existing warship now afloat and the machine-ships are fitted to carry out the most important repair work.

Unlike the Asiatic Fleet of the United States, which boasts but one modern vessel, the cruiser-flagship *Augusta*, the present British fleet in the Far East is more up-to-date. In Hongkong's harbor today lie the latest types of submarines, of aircraft carriers, of destroyers, mine-layers and sweepers, and auxiliaries. On the ways of British dockyards lie additional vessels for Hongkong which are being rushed to completion.

Of vital significance is the fact that Hongkong may be utilized by Britain's allies, such as France and the United States, if such need be. Press reports already confirm that the Admiralty is giving the matter serious consideration. America has no real base in the Pacific except at Hawaii, while France's Indo-China bases cannot compare with either Hongkong or Singapore. Manila and Guam are notoriously weak both in defence works and equipment. Definite commitments have already been given by London to the Netherlands on fleet co-operation in the Far East, but whether this includes Hongkong is not yet known.

Other important aspects enter into Hongkong's defence preparations. Her arsenals are modern and decentralized and their products will feed her guns for a protracted period. Her radio stations are numerous and carefully located. Her water supply, while not yet regarded as satisfactory, would certainly be able to cope with war-time conditions with present facilities, which have been greatly increased by the completion of the new Jubilee Dam. A watersupply expansion program, based on long-time planning, is already underway. The status of her food supply is perhaps the most vital unknown in Hongkong's defence system and attempts to determine exactly what has been done to meet possible wartime conditions meet with the answer that "steps will be taken."

Perhaps it may be concluded that Hongkong is ready today to meet any emergency. Perhaps so. But events in the Far East continue to alarm the London War Office and even now the Cabinet is discussing

methods to further strengthen the Colony's defences and to increase the strength of the garrison here. In the past, writers in analyzing Britain's position vis-a-vis Japan have always come to the conclusion that Hongkong is the "first line of defence" and as such, might fall, after a most sanguinary struggle, to Japan. Singapore, they held, is after all, the real fortress and the real test. All indications point towards the necessity of revising this interpretation into one which places Hongkong not only as a first line of defence, but as a line of defence which must be held under all circumstances. Certainly the preparations now underway here are being directed solely for that purpose.

The need for all these preparations at Hongkong are not even thinly disguised by anybody, including suave diplomats. The threat of the Rising Sun is Britain's concern and only concern in the Far East and at Hongkong. In the immediate past, the remnants of the Anglo-Japanese Alliance have found strong sentiment in influential British Government circles. But today the story is different. When Japan attempts to tell Britain how to run the Colony—as in the past week in Tokyo's warnings against anti-Japanese sentiment in Hongkong—when Japanese submarines sink helpless fishing junks within gunshot of Colony waters in "self-defence," when Japanese bombers rain death on British merchant vessels, such as at Wuhu, Tokyo's wooings fall on deaf ears. The situation has changed, the sword of Japan is unsheathed and its direction unmistakable.

Such is the picture of Hongkong today. With the determination of foreign powers to protect their interests there, perhaps Shanghai will be the Sarajevo of the Far East. But if not Shanghai, then Hongkong. And Hongkong is ready.

G. M. M.

Hongkong, Dec. 12, 1937.

PEACE OR RESISTANCE

AT the beginning of the present month, there was considerable talk of peace both in China and abroad. The peace movement began to attract wide attention when, following closely upon Italy's unofficial "advice" to China to seek peace with Japan, the German Ambassador, Dr. Oskar Trautmann, visited General Chiang Kai-shek at Nanking and allegedly offered Germany's neutral services as mediator.

This movement has evoked a great deal of comment from responsible Chinese quarters and the leading Chinese newspapers, a survey of which seems to indicate that China's only chance lies in continued resistance, in view of Japan's insistence upon such terms as would reduce China to the status of a Japanese colony.

What exactly was discussed between the German Ambassador and Gen. Chiang Kai-shek at Nanking is still not known. It was reported that General Chiang told the German envoy that if Japan would cease military operations China would be ready to discuss peace—on the principle of respect for China's territorial and administrative integrity. General Chiang's stand was reinforced and further elucidated by Wang Ching-wei, who, when interviewed by a German correspondent on Dec. 5, declared: "If Japan shows by an offer of acceptable conditions that she sincerely desires peace, the Chinese government is willing to terminate the conflict and begin friendly co-operation with Japan." With regard to "acceptable conditions," Mr. Wang referred to what General Chiang had repeatedly emphasized: "Respect for China's territorial and administrative integrity and national sovereignty."

In contrast to the responsible Chinese view on this matter was the hostile and bellicose attitude of the Japanese government. As indicated by declarations of

her official and unofficial spokesmen, that Japan is determined to continue her military activities in China with a view to subjugating the entire country. As early as Nov. 24, General K. Ugaki, influential member of the so-called "super-brain trust," declared that Japan was prepared to fight until the white flag was to be hoisted over all Chinese positions. He stated that prolonged Chinese resistance would result in increasing Japan's demands on China, evidently meaning that Japan's territorial ambitions must be satisfied. Gen. Ugaki also declared his objection to any third party mediation and insisted on direct negotiations between China and Japan.

On Dec. 8, a spokesman of the Tokyo Foreign Office declared that Japan was waiting for China to initiate peace talks for the settlement of the conflict. Japan, he stated, would welcome the good offices of a third party, who was friendly toward Japan as a means of inducing China to enter into direct negotiations. Among the third parties, he hinted that Japan would prefer having Great Britain offer such good offices. Concerning Japan's ambitions in China, he asserted that Japan had no territorial designs but stated that "none can tell what changes may occur in the situation in the future."

Judging from the foregoing paragraphs, one may observe more or less clearly the incompatible stand of China and Japan in regard to prospects for peace. Chinese leaders are determined to preserve China as an independent, sovereign country, while Japan insists on reducing China to colonial status under the Japanese yoke. The two countries are moving in diametrically opposite directions and any prospect of compromise under present circumstances is apparently entirely out of the question.

Public opinion in China as reflected in the press is strongly and bitterly opposed to any peace move at present. The consensus is that peace with Japan now would mean surrender; hence under present conditions Japan has everything to gain and China everything to lose. On the one hand, peace at the present moment would afford Japan her sorely needed time to consolidate her gains and prepare for fresh attacks leading eventually to complete domination. On the other hand, internationally China's acceptance of Japan's peace terms would alienate world sympathy and good-will and would have the effect of stopping whatever assistance China has been getting. Internally, any stain on China's honor resulting from acceptance of Japan's terms would inevitably involve the break-up of the entire Chinese nation and lead to a renewed outbreak of civil warfare. No Chinese leader could afford to come out in the open and make peace with Japan by accepting Japan's conditions. He would be repudiated and condemned by the whole country.

As an expression of prevailing Chinese opinion, the following from the influential *Ta Kung Pao* (Dec. 11) expresses almost universal Chinese approval: "The present attitude of Japan indicates that she considers herself as victor. She has even threatened to withdraw her recognition from the National Government of China and wants to completely subjugate this country. It is apparent that Japan wants to further expand the present hostilities and has no intention of repenting her conduct. As a result, there are no further reports of the German Ambassador's effort to mediate, and reports from Tokyo reveal more and more the determined attitude of the Japanese Government. In this situation, there is no alternative for China. Her only chance, her one duty, is to resist to the last."

H. C. H.

"Ta Kung Pao" Says China Must Continue Armed Resistance

"For the sake of upholding China's territorial integrity and administrative sovereignty, China must continue her armed resistance to Japanese aggression to the last, regardless of the sacrifices which may be entailed," the *Ta Kung Pao*, leading Chinese journal, in an editorial entitled "State Rights and International Faith," declared Dec. 7.

After enumerating the enormous losses suffered by the nation during the last four months, the *Ta Kung Pao* said that such sacrifices were naturally made with a definite purpose. Unless that purpose is achieved and unless the price is paid for the huge losses incurred by the Chinese people, the nation will naturally fight to the last.

The *Ta Kung Pao* Dec. 8 commented: "If China fails to make the necessary military preparations step by step and fails to effect national mobilization in time, she alone will have to assume the responsibility of the loser. The burning question before the whole nation is: 'What preparations are being made for launching a large scale second-period military operations?' Furthermore, what steps have been taken for mobilization of the masses?"

The military situation has so developed that there is really little demarcation between the front and the rear, for even far-away Lanchow, provincial capital of Kansu, has been visited by Japanese airplanes. In view of this, every province not immediately affected by the hostilities is within the war zone. Each province should at least be able to maintain public order and communications within its own border line, build up reasonably strong provincial and hsien (district) defences, and steadily supply the Government with its own quota of soldiers. The issue right now is not so much that of China losing part of her territory but the establishment of one or more strong bases of operations at the rear.

"The Chinese people should not merely look toward London, Washington, Moscow and Berlin for help but concentrate their efforts on their own front line and provinces in the hinterland, particularly Shensi, Honan, Anhwei, Kiangsi, Hunan and Hupeh."

Registering Students and Faculty Members of the Christian Universities

"Since the outbreak of the present hostilities many of the Christian universities in China are vitally affected. For example, Soochow University and Cheeloo University have suspended classes and Ginling College has sent their students either to Shanghai or Hankow as external students. Some are planning to move but hardly have the finances to do so. Some are opening in rented rooms and with very meagre facilities. The China Christian Educational Association has considered these problems very seriously and is ready to render help in every possible way. Students and faculty members of the Christian universities who are not in touch with their institutions are requested to report their whereabouts to the office of the China Christian Educational Association, Room 414, Missions Building, 169 Yuen Ming Yuen Road, Shanghai.

Nanking University and Ginling College Transferred to Hankow and Wuchang

Most of the teachers and students of the Nanking University and the Ginling Girls College, both American missionary institutions, gathered at Hankow and at Wuchang during the past week. Dr. Wu Yi-fang, president of Ginling College, told newspaper correspondents that the removal of the college or Nanking University to Chungking or Chenbgtu could not be realized until next year. Because of this fact, arrangements have been completed with Central China College at Wuchang for the opening of classes there for the Nanking students.

The Hangchow College of Fine Arts has been removed to Kweiki, in eastern Kiangsi. A part of the premises of the Kweiki Normal School has been offered to the College for temporary use.

French, British and Dutch Fear Possible Threat to Far Eastern Possessions

Japanese activities in China are being closely watched by Britain, France and Holland, a *United Press* message from Singapore Dec. 4 stated. The *Singapore Morning Tribune* commented: "Unless stronger measures are taken without delay, Japan will be getting perilously close to Singapore, Malaya and the Netherlands Indies, which would constitute most valuable prizes. It is clear that protests are of no avail, unless action is forthcoming."

Official denials notwithstanding, widespread opinion prevails in the Straits Settlements that the groundwork has been laid for Tri-Power cooperation in the event of Japanese aggression southward, even to providing that the British and Dutch naval bases in Singapore and Soerabaya would be available to the warships of both countries.

Chinese Troops Withdraw from Nanking on Orders from Gen. Chiang Kai-shek

CHINESE defenders of Nanking, after withstanding intensive Japanese attacks for almost a week, were ordered by Generalissimo Chiang Kai-shek to withdraw Dec. 13. The withdrawal was carried out in an orderly manner and was completed shortly before evening, when Japanese soldiers occupied the former Chinese capital.

The Generalissimo, in a statement issued at his field headquarters, stated that the withdrawal of Chinese troops from Nanking would not materially affect the policy of the National Government to resist the Japanese troops to the bitter end.

Whole sections of the city were in flames as the conquering army methodically proceeded to take control. Only three regiments held out during the last days of the struggle, and the majority of these troops succeeded in making their escape across the river aboard steamships and junks commandeered for the purpose.

The building of the Ministry of Communications was completely destroyed by Japanese bombs. Various quarters in Nanking are said to have suffered enormous damage through fire and bombardment.

The troops removed from Nanking were estimated in Chinese circles to be 140,000 strong.

Hsiakwan, which lies between the city wall and the Yangtze, was occupied at 4 o'clock p.m. Dec. 15 after its Chinese defenders were routed by severe artillery fire, it was reported through *Domei*.

Japanese Attack Under Protection of Airplanes and Artillery

Rushing through a breach blown in the outer wall by land mines, men of the Wakizaka detachment at 5 p.m. Dec. 10 hoisted the Rising Sun Flag over the Kuanghuamen, at the southeastern corner of the "doomed Capital," a message from the Tachiochang Airdrome, near Nanking, the same evening declared. The victory climaxed a 60-hour attack by the detachment upon the well-defended southeastern sector of the city's massive walls.

Intensive shelling of the Kuanghua Gate by the Serisawa artillery unit at 4.30 p.m. resulted in the destruction of the gate arch. The sand-bag barricades in the immediate vicinity of the Gate were simultaneously blown up by land mines.

Japanese troops launched a large-scale attack on Nanking at 12.30 p.m. Dec. 10 under the protection of airplane and artillery barrages when their demand for surrender by noon was ignored by General Tang Sheng-chih, Garrison Commander of Nanking. To ensure the safety of the foreign nationals, notifications were at once given by General Tang to the foreign diplomatic representatives advising the immediate evacuation of the remaining foreigners from the war zone. All city gates leading to the Hsiakwan wharves were closed at 5 p.m.

Chinese troops at first held various strategic points near the walled city, at the same time launching frequent assaults on the Japanese. Fighting was severest at the Kwanghua Men (gate) where both sides were locked in desperate combat.

Yuhuatai, on the southern outskirts of Nanking, remained in the hands of the Chinese defenders on Dec. 11, thereby frustrating the Japanese plan to attack Chunghua Men from Yuhuatai. Sishankiao station on the Kiangnan Railway, south-west of Yuhuatai, was however, occupied by the Japanese. Japanese attacks on the Taping men and Chungshan Men were also temporarily repulsed. Heavy casualties were sustained by both sides.

Nanking Raided by Japanese Planes

Following a dawn artillery bombardment, Japanese aircraft 9 a.m. Dec. 12 subjected Chinese positions along the inner fringe of the towering Nanking city walls to intensive bombing. Rifle and machine-gun fire, however, could be heard only spasmodically, the Japanese command apparently seeking to prevent losses in men by ordering the latter to keep well under cover until the elaborate Chinese system of trenches and pill-boxes in the city was reduced by aerial and artillery bombardment. Meantime, Japanese troops which had completed the occupation of Wuhu were approaching Nanking from the southwest, adding new strength to the Japanese vise closing in upon China's "doomed Capital."

The Japanese airplanes were challenged by Chinese anti-aircraft guns throughout the day. Although several breaches were made by the Japanese artillery fire on the city wall near Kwanghua Men and Tungchi Men (gate), the Japanese troops were for a time checked by the defenders.

The Three Armies That Defended Nanking

The defence of Nanking was entrusted to the forces of Gen. Chiang Kai-shek, Gen. Pai Chung-hsi and the Kwangtung Provincial Army. The northwestern section of the city, the report said, was defended by Kwangsi troops. The eastern portion of the "doomed Capital" was guarded by Kwangtung troops, while Gen. Chiang's Eighty-Eighth Division, which took a prominent part in the hostilities in Shanghai, defended the southern sector.

Japanese Commander-in-Chief Issues Ultimatum to Nanking Defenders

The following ultimatum was issued by General Iwane Matsui to the Chinese defenders of Nanking Dec. 10:—

"Japanese forces in huge numbers having occupied the entire area south of the Yangtze River, have now completely surrounded the city of Nanking.

"The anticipated hostilities bid no good to any one, but harm alone.

"Nanking is the old capital; it has until lately been the seat of the Chinese Government, and it abounds in historic remains and spots of beauty, such as the Hsiao Mausoleum of the Ming Dynasty and the Chungshan Mausoleum. Indeed, the city is a keystone of Oriental civilization.

"Though harsh and relentless to those who resist, the Japanese troops are kind and generous to the non-combatants and to Chinese troops who entertain no enmity to Japan. The Japanese Army is earnestly desirous of protecting Oriental culture.

"If your forces desire to continue hostilities, Nanking cannot but witness the horrors of war, with the attendant destruction of age-old cultural relics and the nullification of the constructive efforts of the past generation.

"Therefore, I, as the Commander-in-Chief of the Japanese forces in Central China, advise you to surrender Nanking without resistance and take the steps explained below.

(Signed) GENERAL IWANE MATSUI,
(Commander-in-Chief of Japanese expeditionary force.)

"Your answer to this advice must be received by our outposts on the Kuyung highway, forming the continuation of the Chungshan Highway, by noon of December 10.

"Should you send a responsible person as your representative, I am prepared to send my representative to the designated spot to negotiate on the procedure of surrendering the city of Nanking.

"If no answer is received by the appointment time, our forces will be compelled to launch an attack upon the city of Nanking."

The only reply the Chinese made was to resist the Japanese invasion upon the expiration of the ultimatum.

Japanese Officer Points Out Difficulties in Taking Nanking

Pointing to the bitter resistance offered by the Chinese troops and the strong defenses of Nanking, Col. Yuki Fukabori, head of the Information Section of the Japanese forces in Shanghai, Dec. 11 emphasized that the capture of the "doomed Capital" was by no means an easy task.

The city, he continued, is encircled by a wall, 15 meters high, 10 meters wide, and fringed by a deep moat, 20 meters wide.

"If you remember the lakes, which form a natural barrier to Japanese advance," he went on, "you will realize that the capture of the city was quite a difficult task."

Japanese Capture Tangtu

Japanese forces captured Tangtu, a walled city on the south bank of the Yangtze, mid-way between Nanking and Wuhu, at 11 a.m. Dec. 10, according to a Japanese report received from Wuhu.

Occupation of Wuhu Confirmed by Japanese Communique

Occupation of Wuhu, 60 miles southwest of Nanking, by Japanese troops, was confirmed by Japanese military authorities in a communique issued Dec. 11.

New Boom Said Built by Chinese Near Kiukiang

A new boom has been constructed by Chinese troops near Kiukiang, according to foreign reports received in Shanghai.

Following two weeks of strenuous labor, the Japanese succeeded Dec. 19 in forcing a gap through the boom thrown across the Yangtze river near Kiangyin by the Chinese, and several destroyers were able to steam through and proceed in the direction of Nanking.

Japanese Ask Foreign Owned Vessels to Remove from Fighting Zone

The Japanese authorities Dec. 9 asked for the removal of all foreign-owned vehicles and vessels from the zone of fighting

(Continued on page 78)

"China Incident" Bonds to Be Issued Soon by Japan

National bonds worth Yen 600,000,000, designed to cover a part of the cost of the China incident and a fraction of the budgetary deficit, will be issued by the Treasury this month. Of the first instalment of Yen 300,000,000, issued Dec. 10 Yen 200,000,000 has been classified as the Manchurian Incident appropriation. The entire issue will be underwritten by the Bank of Japan and the Deposits Bureau of the Ministry of Finance.

Japan Industries to Get Big Loan

Taking part in the utilization of national resources to meet the emergency situation, the Industrial Bank of Japan has decided to lend Yen 120,000,000 to finance industries within the current year. Out of this sum, Yen 20,000,000 will be covered by a bond issue floated this week; the bonds will be redeemable in one year and have an interest rate of 3.9 per cent.

Japanese Textiles to Be Mixed With Fibre

Compulsory mixing of staple fibre with cotton in the production of textiles was decided Dec. 9, the Tokyo *Asahi* reported. A ministerial ordinance putting the ruling into effect on Jan. 1 will be issued soon. At least 30 per cent of staple fibre will be mixed in cotton textiles for domestic consumption, the daily reported. Cotton spinners and weavers have been forced to curtail production of textiles for domestic consumption by 40 to 50 per cent of the normal rate.

"Silk Wool" to Be Produced on Large Scale in Japan

"Silk wool," a new substitute for wool made from vegetable albumen extracted from Manchurian bean cake, is expected to be produced on a large scale and at low prices by the Showa Industry Company in the near future, according to the Tokyo *Chugai Shogyo*. The company was preparing to rearrange its corporate set-up and build a plant near Chigasaki in Kanagawa Prefecture, with a view to beginning production of the new material early in April, the paper said.

Wounded Japanese Officers To Enter Military College

Wounded Japanese officers who were active at the fronts in North China and the Shanghai area will be given a chance to enter the Military College, so long as they can endure military life, even if they were crippled to a certain extent, the Tokyo military authorities decided Dec. 10.

Japan to Establish New Consulates in South Pacific

Japan will establish three new consulates in southern Pacific countries before the end of the year, the Tokyo *Yomiuri* reported Dec. 7 on the basis of information from the Foreign Office. They will be opened at Wellington, New Zealand; Menard Island in the Celebes, Dutch East Indies, and at Sandakan, British North Borneo, the reports said.

Foreign Films To Be Kept Out of Japan Until April

Film fans in Japan will continue on their strictly Japanese picture diet until the end of next April, provided the current crisis is alleviated by that time, recent advices from Tokyo stated. If the Sino-Japanese hostilities continue into the next summer, the ban on the importation of foreign moving pictures will be extended to the end of 1938, the Ministries of Finance and Home Affairs decided Dec. 10. The ban, put into effect on Sept. 4, was to be lifted on January 1.

Tokyo "Inner Cabinet" Decides to Continue Hostilities in China

Members of the "Inner Cabinet" in Tokyo, Dec. 9 agreed on the necessity of continuing hostilities in China after the fall of Nanking. Simultaneously, it was decided to disregard all Chinese peace moves "until and unless China manifests a sincere reconsideration of her anti-Japanese policy." Taking part in the momentous meeting were, in addition to Premier Prince Ayamaro Konoye;—Foreign Minister Koki Hirota; Finance Minister Okinori Kaya; Admiral Mitsumasa Yonai and Gen. Gen Sugiyama, respectively Navy and War Ministers. The decision formed the climax of a series of meetings held among the highest Army, Navy and Cabinet officials last week.

Japan's Exports Show Further Loss During First Ten Days of December

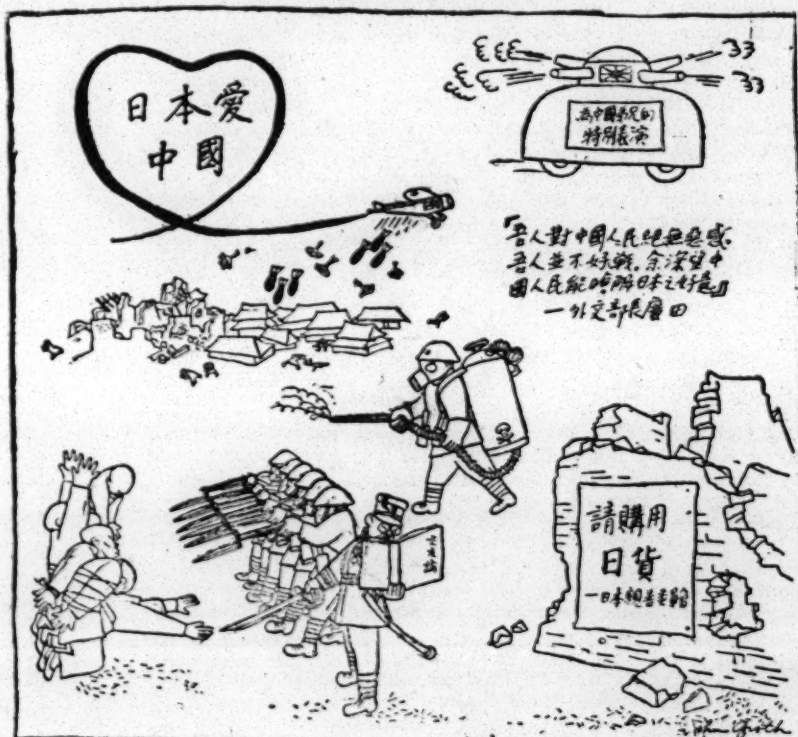
Japan's exports during the first ten days of December were valued at Yen 74,902,000, representing a decline of Yen 2,947,000 in comparison with the corresponding period of last year,

the Finance Ministry announced Dec. 11. The imports for the ten days were valued at Yen 72,240,000, representing a decrease of Yen 10,111,000 as compared with the first ten days of December, 1936. The adverse balance of foreign trade since the beginning of the year now stands at Yen 645,300,000, the announcement added. Cotton textiles and raw silk continued to head the list of exports, their respective totals being Yen 14,627,000 and Yen 8,092,000. Rayon textiles were exported to the value of Yen 4,273,000,000. Raw cotton headed the list of exports, followed by pulp and coal, the respective figures being, Yen 3,920,000 and Yen 2,267,000.

Japanese Advance in China Makes Germany Nervous for Her Trade

A *Reuter* message from Berlin, Dec. 11 stated that the effect of the Japanese advance into the interior of China on German economic interests in China, is causing anxious thoughts. The *Allgemeine Zeitung* said the Japanese are obviously willing to invite other countries to partake in the reconstruction of China. "The question of credits," said newspaper added "is very important for Japan, and Great Britain and America are stronger than we in

HOW JAPAN IS SHOWING "GOODWILL" TO THE CHINESE PEOPLE



觀 善 之 道

The Nation

The above cartoon, reproduced from "The Nation" (New York) and reprinted in a Chinese paper, describes Japan's present campaign in behalf of "goodwill" in China, using tanks, airplanes, poison-gas, firing squads, while the ruined wall in the lower right foreground has a poster reading, "Please buy Japanese Goods." The poster is signed by the Japanese Goodwill Relationship Committee, Tokyo.

this respect. It is a part of the Anglo-Saxon tradition to put up with a state of affairs which is not desired, and then to organize business relations with the victor as speedily as possible."

Japanese Troops Withdraw from "Jacquinot Zone" After Temporary Flurry

The Japanese troops, who entered the "Jacquinot Zone" in Nantao Dec. 4 after allegations had been made that a Japanese soldier had been shot from a point within the zone, have been withdrawn in the meantime. A statement was issued later by Father Jacquinot concerning reports of the alleged shooting. The statement read as follows:—The situation has been fully discussed between Lieutenant-Colonel Yoshiro Oka, of the Imperial Japanese Army, and myself. To the best of my knowledge no shooting at any Japanese soldier took place from anywhere within the zone.

Japanese troops, took charge of a number of refugees and removed them from the zone to the southern part of Nantao, presumably to be used as laborers. Father Jacquinot pointed out that the Refugee Zone Committee continues to administer the Special Area, and there is no question of the zone having been taken over by the Japanese authorities, who continue to live up to their side of the agreement by which the zone came into existence.

Japanese Sink American Warship Near Nanking and Bombard British Warships at Wuhu

THE nonchalant carelessness and indifference of the Japanese military forces in China, which previously included such acts as the machine-gunning from the air of the former British Ambassador to China and the bombing and killing of British troops situated in the Shanghai area, during this week reached even more serious proportions.

The United States gunboat *Panay* of the Yangtze Patrol, U.S. Asiatic Fleet, was bombed and sunk on the afternoon of Dec. 12 off Hohsien, Anhwei, in the Yangtze, about 25 miles above Nanking. In addition, the Standard oil launch *Mei An* and two smaller Socony launches were sunk.

The dead, as far as known at present, are: Sandro Sandri, special correspondent of the Italian newspaper *Stampa*, of Turin; Captain C. H. Carlsen, Commander of the Socony Steamer *Mei An*.

Charles L. Ensminger, Storekeeper First Class of the U.S.S. *Panay*.

Eight others were seriously injured.

There is a peculiar poignancy about the death of Mr. Sandri, as he had been for a number of years connected with the *Popolo d'Italia*, of Milan, Signor Mussolini's own newspaper. He was the principal speaker on the occasion of the sixteenth anniversary of the foundation of the Fascist Party at the Italian Club of Shanghai on October 28 last.

The body of Capt. Carlsen was found by Japanese searchers and has in the meantime been brought to Shanghai for burial.

The known survivors are:—F. H. Vines, of the Yee Tsoong Tobacco Co.; Roy Squires, of the China Import & Export Lumber Co.; James Marshall, Far Eastern Correspondent of *Collier's Magazine*; and George Atcheson Jr., Second Secretary to the American Embassy in Nanking; also the following from the U.S.S. *Panay's* personnel: Captain J. H. Hughes, commander; Lieutenant A. F. Enders, Executive Officer; and Messrs. John A. Bonkoski, Raymond L. Browning, Thomas A. Coleman, John A. Dimbofer, Joseph A. Graves, J. L. Hodge and W. T. Hoyle.

A Japanese flying boat brought to Shanghai Mr. Marshall (seriously wounded in left shoulder); Mr. Vines (wounded in left hand); and Mr. Hodge (bruised in the left leg).

A suggestion made by a Japanese naval party which hurried to the scene that the survivors should be escorted by the Japanese to Hohsien was vetoed by Rear-Admiral R. V. Holt, in command of the Yangtze Patrol, who expressed the fear that the despatch of armed forces might jeopardize the lives of the refugees.

Attempts to communicate by telephone from Hohsien to Hanshan were futile, but it is understood that word eventually got through to Mr. Atcheson to have his party by the river bank before sunset in order that they might be picked up.

The survivors of the bombing were to begin boarding the gunboats at 4.30 p.m. Dec. 14. As many as possible were to be placed in the U.S.S. *Oahu*, the overflow going into H.M.S. *Ladybird* and the Japanese gunboat *Hodzu*. The latter, led by mine-sweepers, is conveying the other two vessels to Shanghai. H.M.S. *Bee* took such wounded whose condition demanded it to Wuhu.

A plan to bring back the more seriously wounded survivors to Shanghai by means of the flying boat which hurried to the scene with doctors and supplies was abandoned.

Departure of U.S.S. "Augusta" Cancelled

One of the results of the sinking of the *Panay* was that the American cruiser *Augusta*, which had been scheduled to leave here for Manila this week, was ordered to remain here. Incidentally, Admiral H. E. Yarnell, Commander-in-Chief of the U.S. Asiatic Fleet, issued the following statement Dec. 14: "With reference to a reported statement made by a Japanese naval spokesman that American naval vessels would be withdrawn from the Yangtze River at the request of the Japanese authorities, the Commander-in-Chief denies that any such request has been made. It would not be approved, if received. The vessels of the United States Navy now in Chinese waters will remain there for the protection of United States nationals as long as such necessity exists. The U.S.S. *Oahu* was directed to bring survivors of the U.S.S. *Panay* to Shanghai as no other vessel was available. She will return to her station in the Yangtze in the due course of time."

Germany Also Protests to Japanese

The Berlin Foreign Office lodged a complaint Dec. 14 with the Japanese Embassy in Germany about "continual attacks by Japanese artillery on December 11 on the British steamer *Wangtu*, which had aboard the office of the German Embassy in China." There were no casualties, but subsequently members of the German Embassy were transferred to a British gunboat.

Britain and America Consult on Future Policies in Far East

The British Ambassador to the United States, Sir Ronald Lindsay, conferred with Sumner Welles, Assistant Secretary of State, in Washington Dec. 13 thereby confirming reports from

London that Great Britain and the United States were in consultation regarding future policies in the Orient.

Foreign Secretary Anthony Eden told the House of Commons Dec. 14 that although there had been talk of joint Anglo-American naval demonstrations in Chinese waters, the project had been overruled as impracticable, if only because of the insufficiency of warships to make it effective.

Japanese Offer "Facilities" for Third Powers to Move Vessels Down River

Japanese naval authorities will extend "all facilities" to naval vessels of a third Power wishing to proceed downriver from the Wuhu-Nanking area to Shanghai, a Japanese naval spokesman said Dec. 14.

America Demands Full Compensation—Japan Complies Immediately

Full and complete compensation in connection with the bombing of the U.S.S. *Panay* and other American vessels on the Yangtze River was demanded from Japan by the United States Government Dec. 13. Cordell Hull, Secretary of State, presented Japanese Ambassador Hiroshi Saito a protest which President Roosevelt had personally dictated and handed to Mr. Hull in the form of a memorandum:

"Please tell the Japanese Ambassador when you see him at one o'clock:

"Firstly, that the President is deeply shocked and concerned over the news of the indiscriminate bombing of American and other non-Chinese vessels on the Yangtze River and that he requests the Emperor be so advised;

"Secondly, that all the facts are being assembled and shortly will be presented to the Japanese Government;

"Thirdly, that in the meantime it is hoped the Japanese Government will be considering definitely for presentation by this Government: (A) Full expressions of regret and a proffer of full compensation, and (B) Methods of guaranteeing against repetition of any similar attack in the future.

The second protest in 24 hours already had been cabled to Joseph C. Grew, American Ambassador in Tokyo, for presentation to Foreign Minister Hirota. Meanwhile, the State Department temporarily accepted Mr. Saito's profound regrets and apologies.

Mr. Saito said that the American authorities had informed the Japanese of the positions of the American boats and therefore the bombing of the U.S.S. *Panay* was "a very grave blunder." "Of course," he said, "it was completely accidental and a great mistake. I have come to make an explanation and bring deep regrets."

Roosevelt Demanded Apology from the Emperor

According to a dispatch from Washington transmitted to the local papers by the *United Press* on Dec. 15, President Roosevelt insisted upon an apology and personal assurance by Emperor Hirohito that effective measures would be taken to prevent repetition of the incident. It was claimed that nothing short of such an apology would satisfy the President.

A *Reuter* dispatch from Tokyo on Dec. 15 stated that President Roosevelt's action in communicating directly with the Emperor had deeply shocked the Japanese. In reply to a volley of questions, Koki Hirota, Foreign Minister, said that no one was qualified to say anything concerning the Emperor's action.

It was reported later that the Japanese Government had offered to make full compensation for injuries to individuals and damage to American property.

Telegrams from Tokyo indicated that the Japanese idea of payment for the *Panay* was to build a ship to replace it, in Japan.

U.S. Senate Debates Question of Withdrawing U.S. Forces from Orient

The U.S. Senate Dec. 13 debated demands for immediate withdrawal of all American gunboats and forces from the Orient. Senator Reynolds, from South Carolina, took the occasion to launch an attack on Great Britain for trying to get the United States "to pull her chestnuts out of the fire in China."

The series of accidents besetting neutrals in the Orient was described by Senator Pittman, from Nevada, as "becoming intolerable." According to Senator Pittman, "It is of little satisfaction to have the Japanese Government on each occasion express regret. It is the practice of the Japanese Government to grant broad discretionary power to Army and Navy officers serving in the field. Some high Japanese officers were responsible for such outrages. The names of these officers should be determined and they should be punished. Only such punishment would demonstrate good

ANTI-JAPANESE DEMONSTRATIONS IN NEW YORK CITY



Fres-Photos, by Fresco, N.Y.

ANTI-JAPANESE PARADE IN NEW YORK

An anti-Japanese parade and rally was held in New York City on Dec. 11, sponsored by the "American Friends of the Chinese People." A thousand women, wearing cotton garments and hosiery, led an anti-silk parade for twenty blocks down Lexington Avenue to Columbus Circle where a huge rally was staged to urge a boycott against all Japanese goods.

Demonstrations were also held in New York City before the Japanese Consulate-General at 5th Ave and 42nd Street. The police generally did not interfere, except to prevent violence, and permitted the anti-Japanese demonstrators, including Americans and Chinese, to parade, carry banners and deliver addresses.

faith on the part of the Japanese and would tend to halt the series of violations of international law. The Japanese Government subjects itself to reasonable suspicion that such incidents are deliberate and have for their purpose the frightening of nationals of neutral countries so that they will demand of their governments the withdrawal of all representatives and nationals in China."

Senator Thomas, from Utah, said, "If Japan accepted the responsibility and apologizes, there's not much more the United States can do. You can't go to war with a nation which admits its wrong. Of course, there will be a demand from the public to get all such boats out of there in order to avoid such incidents, but that's the last thing we want to do with boats of this particular kind. The *Panay* was there on a mission of mercy and performing exactly the duty for which we have such boats there."

"We do not want a war," declared Senator Hiram Johnson, from California, "but I do not wish, by way of silence, to subscribe to the idea that Americans may be shot down or a United States gunboat blown to pieces by someone who does not want them there. I will not comment on these incidents until further data is available, but when that is available, let us comment with the thought in mind that we are Americans and will protect Americans throughout the world."

Senator King, from Utah, said, "Japan has deliberately violated the Nine-Power Treaty, of which the United States is a signatory, and is conducting a brutal war against an unoffending nation. Apparently the Japanese are indifferent to the rights of the United States and other signatories. It is too late to believe the Japanese will halt this aggressive war even if vigorous protests are made."

British Naval Vessel Hit—One Naval Rating Killed, Captain Wounded

Japanese machine gun and artillery units made an attack on British naval and merchant vessels at Wuhu Dec. 11; in addition the Japanese made bombing attempts on British ships at Hsiasan-shan. A statement by Foreign Secretary Eden in the House of Commons stressing the gravity of the situation was received with cheers. Telegrams from London indicated that many members of the House were in an angry mood.

Sir Robert Craigie, the British Ambassador, called at the Tokyo Foreign Office Dec. 13 to draw the attention of the Japanese Government to the serious nature of the Wuhu incident, in which Japanese field batteries and machine-gunners fired on the British gunboats *Ladybird* and *Bee*, and also two British merchant ships, Jardine Matheson's *Suiwo* and the British Lumber Company's ship

"LAND OF THE SETTING SUN"



York in the Louisville, Kentucky, Times.

Tsing Tab, killing one naval rating and wounding Captain G.E.M. O'Donnell.

The Japanese Ambassador, Shigeru Yoshida, called on Anthony Eden, the Foreign Secretary, and apologized for the attacks.

Japan Apologizes to Britain for Wuhu Bombing

It was officially confirmed in London Dec. 8 that the head of the Japanese General Staff in Shanghai called on Admiral Sir Charles Little, Commander-in-Chief of the China Station, and expressed the regrets of Vice-Admiral Hasegawa, Commander of the Japanese China Fleet, for the bombing near Wuhu of the British ships, *Tuckwo* and *Tatung*. Official circles stress that both ships bore outstanding marks of British nationality. Both ships were severely damaged, and one British sailor and two Chinese sailors were injured.

After Nanking—What?

BY L. I. TSOK 祝隆意

After Japan captures Nanking, what next?

Japan's present military campaign in China has been defined by her army spokesman, since the beginning of hostilities, as a "drastic surgical operation" designed ostensibly to "beat China to her knees" or, in other words, to "so defeat the Chinese army that she will no longer have the power nor will to resist." Subsequent declarations of Japan's civilian leaders have served merely to clarify rather than modify her attitude such as dictated by her militarists. Lately her local military spokesman proudly avowed that Japanese troops are prepared to advance to not only Nanking and Hankow but as far as Chungking, if necessary, unless the Nanking Government reconsiders her attitude. Again as if the language of a soldier was none too elegant and required some fine dressing, Prince Konoye hurriedly followed up and left no room for doubt as regards Japan's intentions in the present conflict, the gist of his statement being that his country desires to deal a crushing blow to the Chinese Government unless the latter yields, abandons her alleged anti-Japanese attitude, and swallows the dose as prescribed by Japan, namely, Sino-Japanese co-operation, anti-communism and the peace of the Far East. On the face of it, few really can dispute the plausibility of the Japanese argument, but its inherent implications are not difficult to fathom and for that matter give rise to understandable Chinese misgivings. Especially is the argument unconvincing from the Chinese standpoint when one views daily the relentlessness of the method pursued by the Japanese in the professed process of reforming the Chinese heart. That genuine and lasting friendship and co-operation could ever be obtained at the point of the bayonet, instead of through honest-to-goodness persuasion, seems to be more of an irony than an argument. That to brand a country which has been made the victim of the ravages of an invading army running amuck in its territories a source of menace to the general peace is nothing but a mockery to commonsense. It is comparable to a lion accusing the lamb as a disturber of the tranquility of the jungle. And as for communism, with all its pros and cons, suffice it to stress that Japan's current military endeavour inevitably has the effect of driving China into the arms of the Comintern rather than away from them.

Turning now to the practical side, it is to be recognized that China's loss as a result of the present conflict has been enormous but, in spite of the tremendous sufferings and difficulties imposed upon her, she still realizes that Right will eventually triumph over Might and is willing and prepared to undergo further sacrifices in man-power and resources towards bringing that ideal about. It would be well if what had been China's loss had been Japan's gain. On the contrary, while China's losses have been incalculable, Japan has reaped nothing out of the struggle, although millions and millions of yen must have been sunk in military expenditure, producing thereby a visible strain on the Japanese tax-payer. What price "surgical operation"? Do they not realize that sometimes the price may be too high and that the process may not be worth the price?

The primary aim of any surgical operation is to save the patient. It appears now to be entirely up to Dr. Japan to decide whether he is to save or "kill" the patient whose resistance is manifestly running low on account of this uncalled-for operation. If the patient is cured and recovers as he naturally will, he certainly will be thankful to the Doctor who will then be able to collect his bill. If, however, the patient does not survive the operation, the consequences will be unthinkable!

Wanted: A Japanese Bismarck

"It should not be very difficult to achieve rapprochement between Japan and China after the conflict ends," declared General Kazushige Ugaki, one of the ten Counsellors of Prince Konoye's Brain Trust and former Governor-General of Korea, in an interview with foreign correspondents in Tokyo on Nov. 24. Possible proof of this, General Ugaki saw in the relations between Prussia and Austria, who fought wars in 1864 and 1866, but Austria, which was defeated, maintained strict neutrality in the Franco-Prussian War of 1871. After the Great War, he pointed out, Austria shared the fate of Germany.

Contemporary relations of China and Japan are indeed comparable to those of Austria with Prussia in the third quarter of the nineteenth century but, in drawing historical parallels, Gen. Ugaki, for instance, failed to mention the reason behind Austria's not only strict neutrality but also active assistance to Prussia in the Franco-Prussian War of 1871 and this was the case in spite of the fact that Austria was badly defeated by Prussia a few years earlier. Why? It was that great Prussian leader and statesman Bismarck who really pulled the trick. Bismarck had the foresight to see a few years ahead of his time. Instead of dealing Austria a crushing blow when she was quite in a position to do so, Prussia then under Bismarck saw the wisdom of courting Austrian friendship. An unusually conciliatory and rather premature peace devoid of humiliating terms was concluded and invading forces withdrawn from Austrian territory all upon Prussia's initiative. It was the great Bismarck who thus paved the way for lasting Austrian friendship and co-operation in preparation for a later showdown with

France. That *entente cordiale* once laid continued until the World War of 1914-18 when Austria, as Gen. Ugaki remarked, shared the fate of Germany.

We do not believe in history repeating itself, but we may all do well to hope for the rise of a Japanese Bismarck who would have the courage befitting a great statesman to call an end to this meaningless bloodshed and destruction—otherwise known as the Undeclared Sino-Japanese War.

Shanghai, Dec. 11, 1937.

Japan Hopes to Repudiate General Chiang's Administration

After an unreserved exchange of views from military, diplomatic and economic standpoints, the Tokyo Cabinet Dec. 10 definitely accepted the policies to be established after the fall of Nanking, which were drawn up the previous afternoon at a conference between the Premier and the Ministers of Foreign Affairs, Finance, Navy and War.

The policies decided upon were:

1. To repudiate General Chiang Kai-shek's administration;
2. To pursue extended hostilities, and
3. To assist in the construction of a new China.

The views of the members of the Cabinet, according to a semi-official report, may be summarized as:

1. "General Chiang Kai-shek is responsible for the present situation, which has been brought about in an attempt to unify China through anti-Japonism, his guiding policy. There, it is very difficult for Japan to seek the restoration of peace by negotiating with General Chiang Kai-shek's Government.

2. "The peace talk of the Chinese authorities arises from their distressing situation, and is conspicuously lacking in faith and sincerity. They have not been awakened to the cause of the welfare and peace of the Orient, but only desire to extricate themselves from their present difficulties.

3. "Unless the Chinese Government drops its anti-Japonism definitely and finally Japan should disregard China's peace talks and moves for peace.

4. "In the event that the Chiang Kai-shek Government dwindles to a local regime as a result of the fall of Nanking, it is only natural that Japan should aid the rising movement in North and Central China, and facilitate the construction of a new, respiritualized China."

General Chiang Proceeds to Hengshan

Leaving the Nanchang airfield in his Boeing plane, Gen. Chiang Kai-shek Dec. 9 reached Hengshan, an important Chinese air base in Hunan, north of Hanyang. Gen. Chiang, the Shanghai correspondent of the *Asahi* reported, had expressed a desire to resign his posts in the Central Government and Army. Gen. Ho Ying-chin, War Minister, was reportedly recommended by the Generalissimo as his successor.

Ho Ying-chin May Become Szechuen Governor

Gen. Ho Ying-chin, Minister of War, will shortly be appointed Chairman of the Provincial Government in Szechuen, which, together with Honan and Kweichow, is expected to become the main base of the Nationalist Administration, a *Domei* message from Hongkong, Dec. 7 stated.

Germany Will Continue to Recognize Gen. Chiang Kai-shek's Government

Telegrams from Berlin Dec. 14 stated that Germany would continue to regard Gen. Chiang Kai-shek's government as the only legal one in China.

"Living Buddha" from Tibet Entertained by General Chang Chih-chung

A dinner in honor of Kung-Ko Hutuketu, a "Living Buddha" from Tibet, was given by General Chang Chih-chung, Chairman of the Hunan Provincial Government in Changsha, Dec. 9. Replying to General Chang's speech of welcome, Kung-Ko Hutuketu said that, on his return to Tibet, he will explain to the Tibetan people the significance of the present campaign of resistance, so that the Tibetans may also contribute their share to the campaign. Kung-Ko Hutuketu has been touring various leading cities in China Proper, and will return to Tibet shortly via Hsikang. He is well-known for his support of the Central authorities, and exercises considerable influence with the Tibetan authorities.

Gen. Chiang Kai-shek Gives Instructions on Funeral for Late Dignitary

General Chiang Kai-shek Dec. 9 dispatched a message to the Office of the Special Cultural Commissioner for the western Border on the death of the Panchen Lama, "Living Buddha" of Tibet and Special Cultural Commissioner for the Western Border, instructing that arrangements be carefully made for the funeral of the Tibetan dignitary.

Princes Yun and Teh Head New Mongol Regime

Prince Yun, an aged Mongol chieftain, was formally installed as Chairman of the Federated Autonomous Government of Mongolia in Kweisui, Dec. 8. Prince Teh, the youthful and energetic vice-president of the powerful Silingol League, was simultaneously installed as vice-chairman of the new Government, in whose formation he played a leading role. Prince Teh will also head the Political Council of the new administration. Gen. Li Shou-hsin, whose irregulars were active in Chahar and Suiyuan in the past two years, was installed as Commander-in-Chief of the new Government's military forces. Following the promulgation of provisional regulations governing the organization of the autonomous government, an elaborate installation ceremony was held at the City Hall at 10 o'clock in the morning.

Provisional regulations governing the organization of a new independent Mongol regime were announced Dec. 8 by the newly formed Federated Mongolia Autonomous Government. The administration, under the terms of these regulations, will consist of a Political Council and a Military Headquarters, both directly controlled by the Autonomous Government. The latter, as well as the deputy chairman, will be appointed at the People's Congress. The regulations were made retroactive to Dec. 1.

Two New Peace Preservation Commissions in North China

Two new Peace Preservation Commissions have been added to the rapidly growing list of administrative organizations independent of and opposed to the Nanking Government, a *Domei* message from Shihchiachwang, Dec. 11 stated. Representatives of 50 villages lining the Wei River formed a Peace Preservation Commission at Taming, south Hopei. A similar organ was also established at Lintsing, Shantung. The new administration's announcement expressed a desire for the creation of an independent government in North China.

Tientsin Body Severs Relations with Nanking

Declaring that it could no longer recognize the Nanking administration as the Central Government of China, the Tientsin Peace Maintenance Commission announced that it would "wholeheartedly support" the creation of a new regime.

An "earnest hope" for the creation of a new regime, which would "rescue China's Four-Hundred Millions from the toils of the Nanking Government and the Comintern," was expressed in a circular telegram sent by the Tientsin Peace Maintenance Commission to similar organizations in North and Central China, Dec. 12.

Autonomous Government Inaugurated in Shansi

Issuing a manifesto denouncing the "misgovernment" of the Kuomintang regime under the leadership of Gen. Chiang Kai-shek, representatives of hsiens in Shansi Province inaugurated a provisional autonomous government on Dec. 10. Meeting in general session at the local Chamber of Commerce, the delegates issued a declaration opposing Communism and pledging their cultivation of friendship with Japan and Manchukuo.

Many Political and Governmental Changes Take Place Daily, Hankow Reports State

Reuter's correspondent in Hankow last week reported that political and governmental changes are taking place daily.

While the Chinese Government is nominally centred at Chungking, little attempt is made to disguise the fact that it is there in name only. Actually, the whole civil organization of the Chinese Government has practically faded away, and is replaced by a military organization which has developed out of General Chiang Kai-shek's Headquarters.

The various Yuan and Ministries exist in name only. The Foreign Office which, in normal times had a staff of more than 400, now boasts less than 50 officials.

The Legislative Yuan consists only of the President, the Secretary-General and the Chairmen of its five committees.

The Central Political Council has, to all intents and purposes, gone into liquidation. Other changes are mooted. Hitherto, the Chinese Communist leaders—Chu Teh, Peng Teh-hui and Mo Tse-tung—have been active only as officers directing the so-called 8th Route Army. But these men will soon take a more active part in Chinese Government affairs.

These drastic changes in the personnel of the Chinese Government are welcomed in many Chinese circles here. For years, personal and political considerations have permitted the existence of many superfluous officers and officials.

Henceforth, although Szechuen will be officially the seat of the Chinese Government, Hunan will be the place to watch. If the Japanese forces move westwards from Nanking along the Yangtze, Hunan, with its railway and road communications with Hankow, Nanchang and the provinces of Kwangtung, Kwangsi, Yunnan and Kweichow, will be the future base of Chinese operations.

If resistance is to be maintained, the Chinese authorities here build their hopes upon the training of a new army in Hunan.

The removal of General Ho Chien, former Governor of Hunan, and the appointment of General Chang Chi-chung, former Commander-in-Chief of the Chinese forces at Shanghai, to succeed him, is part of his plan.

The actual working Capital of China will probably be Hengchow, an important railway town on the Canton-Hankow line.

General Huang Shao-hsiung, the new Chairman of the Chekiang Provincial Government, was formally sworn in office Dec. 8, together with Messrs. Wu Ting-yang, Wang Hsien-chiang, Hsu Shao-ti, and Cheng Yuan-fan, respectively Provincial Commissioners of Reconstruction, Civil Affairs, Education and Finance.

General Huang Shao-hsiung, the new Chairman of the Chekiang Provincial Government, arrived in Hangchow Dec. 6 from Kiangsi to take up office. He was accompanied by Wu Ting-yang, the new Provincial Commissioner of Reconstruction, and Li Li-min, Acting Chief Secretary of the Chekiang Provincial Government.

First Memorial Service Held in Chungking

The first joint weekly memorial service of the National Government and Central Party Headquarters since their removal from Nanking to Chungking was held in Chungking, Dec. 6. The significance of the campaign of resistance was explained by President Lin Sen, who presided. Pointing out that Sino-Japanese hostilities are in progress over an extensive front embracing the provinces of Hopei, Chahar, Suiyuan, Shansi, Honan and Shantung in the north, and Kiangsu and Chekiang in the south, President Lin said that even the inland districts are daily bombed by Japanese aircraft. The extent of the war zone is unparalleled in Chinese history. Under present circumstances, he said, the only way of resisting the invasion and preserving the national existence is for the country to offer a united front against the invaders and prolong the resistance. In the course of the past few months, instances of heroic sacrifices made by the troops and their commanders have been countless.

T. V. Soong May Head Kwangtung Government

T. V. Soong, Chairman of the National Economic Council and reputedly one of China's best financial experts, has been selected by the Central Government to serve as Chairman of the Kwangtung Provincial Government, according to Chinese reports. The move was interpreted by political observers in Hongkong as an indication of the Chungking regime's desire to make Kwangtung its financial base.

Gen. Wu Teh-chien, the present Governor and former Mayor of Greater Shanghai, will be given a diplomatic post abroad, the reports asserted.

Japanese Not Yet Satisfied with Customs Arrangements at Shanghai

Acknowledging the fact that a number of Japanese nationals had recently been appointed to posts in the Shanghai Maritime Customs, the spokesman of the Tokyo Foreign Office Dec. 10 declared that the Japanese Government was not yet satisfied about the Chinese Maritime Customs in Shanghai. Negotiations regarding the Customs, he added, were still continuing.

As a result of conversations between Consul-General Suemasa Okamoto and L. H. Lawford, Commissioner of Customs in Shanghai, a number of Japanese officials will be added to the Customs staff in Shanghai, Tokyo papers stated Dec. 8.

Reviewing the issues involved in the current Shanghai Maritime Customs problem, the *Shanghai United News*, Japanese daily, Dec. 10 advised third parties to exercise a "hands-off policy" in the matter. It should be clearly understood abroad, the paper asserted, that Japan is negotiating with the Shanghai Maritime Customs, an organ of the Chinese Government, but not with third parties, regarding the control of the Customs.

The paper cited the importance of "effective and vigilant measures" on the part of Japan for control and disposal of Customs revenue. So far as this problem is concerned, the journal stated, the Customs revenue should be in the safe keeping of institutions which Japan considers adequate for the purpose. "Insofar as we know," the daily went on, "there is no international agreement stipulating which bank shall be the depository for Customs revenue."

"The so-called 'Depository Bank' for Customs revenue, foisted upon China by Europe and America following the 1911 revolution, is no longer in existence."

"Customs revenue has been deposited for the account of the Inspector General in the Central Bank of China."

"Consequently Japan, as a belligerent, is free to transfer this account to any bank which she regards as appropriate. This in no way would infringe on international agreements and there is no ground for third parties to criticize this action."

"Anyone opposing such action is, we believe, doing so because of ulterior motives against Japan. Now should third parties, in collusion with China, have taken steps to transfer this deposit account from a Chinese bank to a foreign bank—the most likely being the Hongkong & Shanghai Banking Corporation—in anticipation of the encirclement of Shanghai by the Japanese forces, they should be severely denounced for an unfriendly act toward Japan."

North China Front Comparatively Quiet —Occasional Artillery Duels

Except for occasional artillery duels along the Yellow River bank and surprise raids on Japanese garrisons and outposts by Chinese flying columns along the Tientsin-Pukow Railway, Peiping-Hankow Railway and in North Shansi, the entire North China front continued to be quiet during recent days, according to Chinese reports.

Halting their advances, the Japanese apparently were engaged in consolidating their positions to fight a defensive war in North China in order to concentrate their attention on the drive towards Nanking. Meanwhile, the political activities of the Japanese military authorities were being redoubled to encourage the establishment of puppet regimes in the North China provinces, the reports added.

How Guerilla Units in North Oppose Japanese Forces

A vivid tale of devotion to China by guerilla units operating with reported marked success in the Peiping and Tientsin regions was related in Hankow Dec. 9 by Miss Liu Ching-yang, youthful delegate of the roving groups.

Guerilla warfare in north China has a long and proud history, according to Miss Liu Ching-yang, who described the deeds of loyal Chinese who were attempting to hamper Japanese troops at every turn in the north. The tactics of the Chinese mobile units which have proved to be a thorn in the side of the Japanese were started as early as 1935, according to Miss Liu.

The first germ of the wide organization was born in 1935 during the Peiping student movement which resulted in delegates visiting villages in the north and agitating against Japanese attempts at setting up autonomous states. They created skeleton organizations of peasants who were ready to resist when the time came.

After the Lukouchiao incident this year which led to the outbreak of warfare in north China, valuable service was rendered by the Peiping General National Salvation Union, renamed the Peiping Resistance of War unit. The group proved useful to the efforts of the 29th Route Army, especially at the Nankuan battle, against the Japanese.

Following Japanese occupation of parts of North China, an intricate network of guerilla units to combat Japanese was organized with an estimated total of 72,000 men participating in the movement. Eight thousand, including a cavalry group of 2,000 in Chahar, went to work in the eastern area, while the remnant of the Peace Preservation Corps and 6,000 others went into action in the vicinity of Tientsin and the Western Hills respectively.

Some of the groups, organized by students, played a prominent role in attacking Japanese supply units, while others staged successful raids on arsenals and foodstores in the vicinity of Peiping. Miss Liu reported that seven thousand troops were halted on one occasion, while tank advances were checked on three occasions.

The guerilla units, composed of students, peasants, former soldiers and policemen, bandits and railway workers, were lauded by Miss Liu for their efforts in Paoting, Taming, Pashien and outer Hopei areas.

Japanese Withdraw So as to Protect Railways

The Japanese troops in southern Shansi, Chinese reports claimed, have withdrawn to eastern and northern Shansi to protect the Peiping-Suiyuan, Peiping-Hankow and Cheng-Tai Railways.

Chinese flying columns and volunteers continued to be active along the railway zones. In the Peiping-Hankow Railway area, Chinese mobile units and volunteers raided Chihhsien Station and Kwanhsien early this week, dislodged the Japanese garrisons and withdrew after having seized large quantities of Japanese ammunition, it is claimed.

Chinese Mobile Units Source of Much Trouble to Japanese

The Eighth Route Army, totalling between 50,000 and 60,000 men, are scattered among the Taihan mountains on the border of Hopei, Honan and Shansi and also in the vicinity of the Liangtse and Pinghsin passes.

General San Tien-ying's troops, totalling 15,000 men, are scattered along the north and south banks of the Huto River and also in the vicinity of Hsintang, Ningshou, Shihchiachuang and Shunteh.

These Chinese mobile units, hiding during the day and raiding at night, Chinese sources state, are giving the greatest trouble to the Japanese.

Japanese Claim to Be "Mopping Up" Remnants of Gen. Sung Che-yuan's Army

Mopping up remnants of the Chinese 29th Army under Gen. Sung Che-yuan, Japanese troops in the area between the Peiping-Hankow and the Tientsin-Pukow Railways, occupied Kwanhsien, an important town in Shantung Province, after a series of victories, Japanese Garrison Headquarters announced Dec. 10.

Tsingtao Military Authorities Say They Will Resist Japanese to the Death

The feeling bordering on panic which was evident in Tsingtao previously has passed, a *Reuter* despatch from Tsingtao Dec. 10 stated. The Mayor, Admiral Shen Hung-lieh, and the local military authorities have announced their determination to "resist to death" any Japanese attacks on Tsingtao.

Admiral Shen Hung-lieh in an interview said: "We shall defend Tsingtao to the last. Furthermore, any Japanese attempts to storm Tsingtao will be made as expensive as possible." The local situation, he added, "is heading fast towards a crisis as the Japanese enveloping movement proceeds." All Chinese banks in the Kiaochow part are keeping open their doors and are doing business as usual. Shipping and other commercial activities are continuing normally. The higher officials are remaining in their posts: some of the lesser officials have left Tsingtao owing to reductions which have been made in the Administration Staffs of all Government Departments.

Naval Planes Raid Loyang

Covering a wide area in the course of their raids, Japanese military planes attacked Chinese positions and troops in Hopei, Honan and Shantung Provinces. Chinese troops massed at Kwancheng, Western Shantung, were routed by aerial bombing at 11 a.m. Dec. 12, according to a military communique issued.

Hangars were demolished and grounded planes were damaged in a spectacular raid on Loyang, Honan, staged by Japanese naval aircraft Dec. 11, according to Japanese advices.

Tani to Get High North China Post

Masayuki Tani, Minister to Austria, passed through Hsinking, Dec. 7 en route to Tokyo, where he will be asked to undertake an important mission in connection with the situation in North China.

New Regime in Hopei Formed with Anfu Clique Officials

It was reported by Japanese quarters in Peiping Dec. 13 that the negotiations were going on there for the formation of a new Chinese Government to replace the Nanking Central Government are progressing and will soon be completed. The Japanese intend to form a federation similar to that of Switzerland for all that part of China occupied by Japanese troops with the authority of provincial governments being increased considerably.

Less than 24-hours after the fall of Nanking, a Provisional Government of the Republic of China was formally inaugurated at the Chujen Hall in Peiping, Dec. 14. In a manifesto read at the ceremony by Dr. Tang Er-ho, the Commissioner-General, the new administration announced its opposition to the Kuomintang Government and Communism and expressed its desire to co-operate with Japan and Manchukuo. Immediately after the ceremony, it was announced that the East Hopei Autonomous Anti-Communist Government, created in 1935, would be voluntarily disbanded and would be merged with the new Government.

Other members of the Commission are Wang Keh-ming, twice a Minister of Finance and acting Chairman of the Peiping Political Council, abolished in 1935; Wang I-tang, a Japanese-educated confidante of President Yuan Shih-kai and chief organizer of the now defunct Anfu Club; and Tung Kang, once Minister of Justice and for several years Director of the Institute for Training Judicial officials in Nanking.

It is believed that Tsao Kun, President of China in 1923, will be appointed President of the new government; Marshal Wu Pei-fu will be made Vice-President; General Chi Hsieh-yuan, formerly Military Governor of Kiangsu, will be appointed Premier and War Minister.

Political Organs in Tientsin Announce "Voluntary" Dissolution

Eleven Chinese political organs in Tientsin Dec. 13 announced their "voluntary" dissolution to accelerate the movement for the creation of an independent government in North China, according to *Domei*.

S.M.R. Has Grandiose Plans for North China

Yosuke Matsuoka, President of the South Manchuria Railway, arrived in Tokyo Dec. 13 to seek the Government's understanding on the projected activity of the South Manchuria Railway Company in North China. In a press interview Mr. Matsuoka admitted that he submitted to the Government last August his private plan for economic development in North China, but that it had been "greatly misrepresented by the press." Mr. Matsuoka declared that the South Manchuria Railway Company wanted to manage the railways and harbor works in North China together with the coal mining along the railways. In his opinion, Mr. Matsuoka said, the management of other industries, including raw cotton, cotton spinning and salt, must be left to others. The South Manchuria Railway had Yen 500,000,000 available for economic development in North China, Mr. Matsuoka revealed, and hoped to raise another Yen 100,000,000 in North China.

New Japan-Siam Commercial Treaty Signed at Bangkok

Signing of a new treaty between Japan and Siam which revises and renews the old treaty dealing with commerce and navigation was announced by the Tokyo Foreign Office Dec. 9.

Chinese Build "Hindenburg Line" Along Yellow River

Recapture of Pingyao, 132 miles north of Lingfeng, the provisional seat of the Shansi Provincial Government, by Chinese troops, was admitted in Peiping Dec. 8 by a Japanese military spokesman. According to Chinese reports, the city was retaken after a bitter battle in which there was much hand-to-hand fighting. The Japanese spokesman also admitted that the Chinese were busily constructing another "Hindenburg Line" along the right bank of the Yellow River, stretching from Tungkuan, on the Tientsin-Pukow Railway half-way between Tientsin and Tsinan, to a point 60 miles inside the Shantung border. This line is expected to be held by about 22 Chinese divisions.

On Dec. 8, one of the most protracted gun duels was fought on the banks of the Yellow River with the Chinese opening up first to shell a Japanese troops concentration engaged in building defense works on the north bank of the Huangho. The Japanese were driven back and their defense works crushed by the Chinese shells in the one-hour bombardment, it is claimed. Japanese guns subsequently replied.

North China to Get Broadcasting Station

Broadcasting in both the Japanese and the Chinese languages, a powerful radio station will be established in Peiping early next year, a *Domei* message from Tokyo Dec. 11 stated. Sotowo Yoshimura, Chief of the Accounting Department of the Japan Broadcasting Corporation, will be appointed Director of the new station, whose avowed aim it will be to assist in the cultural development of North China.

South China Is Loyal to Central Government

In the event of Nanking falling, South China will reboole its efforts to stand by the Central Government, General Wu Te-chen, Governor of Kwangtung, stated in Canton Dec. 9.

Tseng Yang-fu, Mayor of Canton, declared: "We are part of the Central Government and are prepared to follow its lead to the bitter end." These statements with those of prominent Chinese business men reflect the general feeling of Canton and ridicule suggestions of possible defection. Kwangtung and Kwangsi, it is pointed out, have always been the heart of the movement of resistance against Japan and both are now feverishly preparing for a prolonged conflict, undaunted by the Japanese successes in North China and the Yangtze Valley.

America Grows a Bumper Crop of Cotton at an Inopportune Time

The United States is growing a record crop at a time when such a crop is most decidedly not wanted, the *London Financial News* stated in a leading article Dec. 9 dealing with cotton. The newspaper points out, however, that the United States is not the only country with a large crop this year, and that China is the only major producer whose crop is likely to be less than that of 1936-37; although even here the decline should be more than offset by the anticipated fall in Chinese consumption.

Remarking that Japan, and possibly India, are the only countries where activity in the textile industry is being maintained, the journal adds that it is possible that the total consumption of cotton during 1937-1938 may not greatly exceed 29,000,000 bales, and to meet such a demand there is a supply of over 51,000,000 bales.

The article in the *London Financial News* is of particular interest because of the Japanese plans to make itself independent of American supplies of cotton as the result of intensive cotton cultivation in North China. It may be mentioned in this connection that raw cotton is by far the largest item in the export trade of the United States to Japan.

Japan Stated to Be Building Three 46,000-Ton Battleships

The United States Government is studying repeated reports that Japan is building three monster battleships, the Washington correspondent of the *New York Times* said Dec. 12. According to substantial, though unofficial, reports Japan is building three 46,000-ton battleships armed with 16-inch guns. Confirmation for this belief is thought to be contained in an article, which appeared last month, in the "Giornale d'Italia," not only because the information contained in it coincides with what little is known regarding Japan's program, but also because the article appeared simultaneously with the announcement of the tri-Power anti-Communist Agreement between Italy, Germany and Japan.

According to the article, 63 other warships are either being actually built or are in project. The warships are listed as:

Five aircraft carriers; seven light cruisers; forty-three destroyers and eight submarines.



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Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th issue of The Review.

- Nov. 8.—After four days of maneuvering Japanese and Chinese forces began to settle down for serious position warfare in the countryside of the Kiangsu-Chekiang coast north of Chapoo. The exact position of the two rival forces could not be ascertained, but it was believed that the farthest point the Japanese had penetrated was less than 15 kilometers from the coast. The circumstances under which the Japanese succeeded in landing north of Chapoo were still shrouded in mystery. According to Chinese reports, at the time when the Japanese landed, a transfer of Chinese troops guarding the countryside took place. These troops were being transferred to the rear, while new units to take over the garrison had not yet arrived. It was alleged that some Chinese traitors revealed this information to the Japanese and it was during that interval the Japanese landed and occupied the countryside without a struggle.
- Nov. 8.—Heavy fighting resumed on the Soochow Creek front, marked by a heavy duel between Chinese and Japanese batteries. Several Japanese tanks were brought across the Creek. As a result of today's fighting, Japanese troops were reported to have made an advance southward from the bank of the Creek.
- Nov. 8.—Sungkiang subjected to terrific bombing by Japanese planes during past two days; the city now completely evacuated by civilian population. Kashing and Soochow also heavily bombed. More than 200 passengers were killed or wounded this morning, when the southbound Blue Express passenger train was bombed by six Japanese planes at a station between Hsuechow and Nansuechow, on the Tsin-Pu Line.
- Nov. 8.—Severe fighting raged throughout the day both inside and outside Taiyuan, which was violently shelled and air-bombed by Japanese. Entering the city through the north gate after having stormed the city wall, Japanese troops had siezed the northeast corner of the city, where heavy street fighting was in progress. General Fu Tso-yi, Suiyuan Chairman, was directing the operation of the garrison defending the Shansi capital. The Shansi Provincial Government and other political and military establishments in Taiyuan had been removed last week to Linfeng, situated on the Tung-Pu Railway, about 180 miles south of Taiyuan. Chinese forces on Ping-Han Line prepare for counter-offensive to recapture Changteh, which fell on November 4.
- Nov. 8.—Commencing at noon today, the war refugee zone in Nantao (Shanghai) was formally opened with approval of Chinese authorities, who continued to retain policing rights over the area.
- Nov. 8.—General Chen Chi-tang, former Kwangtung Commander, arrived at Nanking yesterday (November 7) from Canton. General Chen would stay in Nanking to assist in national defence work.
- **
- Nov. 9.—Chinese forces in western of Shanghai south of the Soochow Creek effected a withdrawal last night to new positions some eight kilometers west from the boundary of the International Settlement. The withdrawal was necessitated by a break in the main Chinese defence line as well as by the developments in the military situation in Hangchow Bay region. Police Commissioner Tsai Ching-chun declared that Nantao would be defended. Late in the afternoon, Japanese troops occupied the Hungjao airdrome and the Lunghua Village. Chinese troops in Nantao had taken up their positions in the east bank of the Zahwei Creek. Chinese troops in Pootung were also evacuating from their positions which they had held for 88 days. Part of the troops were transferred to Nantao to strengthen the defence there.
- Nov. 9.—Severe fighting being waged in the Hungchow Bay region. Japanese troops reported to have crossed the Whangpoo River near Mishitu (Rice Market Ferry) and advancing towards Sungkiang. The report that a section of the latter city had been taken by the Japanese troops was not confirmed. Lines of communications between Shanghai and Sungkiang completely disrupted.
- Nov. 9.—Four Japanese planes bombed Nantao for half an hour in the afternoon, causing many fires and heavy casualties among civilians. Prior to the bombing, over 60,000 Nantao residents entered the French Concession. The Safety Zone in Nantao declared open for residence from 5 p.m. today.
- Nov. 9.—Soochow heavily air-bombed all day, over 100 bombs dropped. 30 Japanese planes bombed many cities on and near Shanghai-Hangchow Railway line. Sungkiang, Kashing and Kashing suffered most.
- Nov. 9.—Sanguinary battle continued throughout yesterday (November 8), inside the city of Taiyuan. Chinese defenders still held about 50 percent of the city last night and stubbornly resisted the attacking Japanese. The city was severely shelled and air-bombed.
- Nov. 9.—Chinese mobile units operating in southern Hopei had recaptured several important towns west of the Ping-Han Railway, according to Central News report.
- Nov. 9.—Over 2,000 Chinese factories in the Shanghai area damaged by Japanese air-bombing, according to the City Government's Bureau of Social Affairs.
- **
- Nov. 10.—Nantao subjected to intense Japanese artillery shelling and air-bombing. Chinese military reports stated that two of the attacking Japanese bombers were shot down by Chinese anti-aircraft guns. Fierce machine-gun battle fought between Chinese troops in Pootung and Japanese bluejackets on a river gunboat near the Nantao boom. Japanese succeeded in landing at Pootung late tonight.
- Nov. 10.—Despite Japanese claims, Sungkiang still remained in Chinese hands, although heavy fighting was in progress outside of the town. One Japanese column said attacking Fengking, mid-way between Sungkiang and Kashing. Japanese communique stated that Japanese troops which occupied Sungkiang November 9 were advancing towards Tsingpu. This column, the communique said, had effected junction with Japanese troops operating in Shanghai area.
- Nov. 10.—Japanese troops reported to have landed at Kwanhaiwei, at the mouth of Chientang River, 35 kilometers northwest of Ningpo. The report unconfirmed by official sources.
- Nov. 10.—Chinese garrison defending Taiyuan fought to the last man before the city fell into Japanese hands. Japanese military spokesman at Peiping paid following tribute: "I admire the Chinese soldiers who defended Taiyuanfu. Nowhere in North China have the Chinese fought so obstinately." Foreign missionaries in Taiyuan safe.
- Nov. 10.—Japanese rushing huge reinforcements to Pingyuan in northern Shantung, preparing for large-scale hostilities in the Tsin-Pu Railway zone. Chinese troops strengthening defence to meet Japanese attacks. Reorganization of the 29th Army completed, part of which was counter-attacking Japanese on the Ping-Han Railway front. Hundreds of refugees fleeing southward from Taiyuan were massacred by Japanese bombers; road from Shensi capital to Linfeng littered with corpses.
- Nov. 10.—Nanking again air-raided after an absence of one week.
- Nov. 10.—American Red Cross Society to raise U.S.\$10,000,000 to aid China war victims, according to message from Dr. C. T. Wang.
- Nov. 10.—Vice-Admiral Sir Charles J. C. Little and Major-General A.P.D. Telfer-Smollett paid first call on General Iwane Matsui, Commander of the Japanese troops in Shanghai. Informal call on General Matsui also made by naval and military officers of American, French and Italian forces.
- **
- Nov. 11.—Japanese troops crossed the Zahwei Creek and launched furious attacks on Nantao. Chinese troops withdrew to Arsenal Road. Up to 11 p.m., more than 2,000 Chinese soldiers entered the French Concession after surrendering their arms and were interned by the French Municipal Authorities. At midnight, the battle in Nantao was still in progress in a small area extending from Arsenal Road to Nantao Bund. Japanese landed more units in Pootung, which was unopposed, indicating that the Chinese troops there had been completely withdrawn. More than 30 separate fires broke out in Nantao and Pootung, most of them set by Japanese bombing and shelling. 14 Chinese civilians killed, 16 others wounded by Japanese stray shells at various points along the French Concession perimeter. Six foreigners were

wounded. One Englishman, P. Pembroke Stephens, war correspondent for the *London Daily Telegraph*, was killed by Japanese machine-gun fire in French Concession, while covering Nantao battle.

The Political Department of the Military Affairs Commission issued 600-word farewell message to Shanghai, as main body of Chinese forces withdrawing from Greater Shanghai area.

- Nov. 11.—Two Japanese bombers shot down in Nanking when it was raided this afternoon by 16 Japanese aircraft.
- Nov. 11.—80 Japanese transports carrying reinforcements and military supplies arrived outside of Woosung. The number of Japanese troops on board believed to be 60,000. Big Japanese drive on the front from Liuho to Chapoo regarded imminent. The report of Japanese landing at Kwanhaiwei on the south bank of Chientang River not true. Situation on Sungkiang front obscure. Japanese claimed capture of Kashan on Shanghai-Hangchow Railway.
- Nov. 11.—General Iwane Matsui, Commander of the Japanese Forces in Shanghai, told foreign press correspondents that he was now virtual master of Shanghai and felt free to take "any steps" dictated by military necessities, in the International Settlement as well as in the Chinese territory surrounding it.



- Nov. 12.—Last Chinese units withdrew from Nantao in French Concession at 2.30 p.m. At 4.30 p.m., the Japanese occupied Nantao. The total number of Chinese troops who were interned in the French Concession, was officially reported to be 5,000. The Nantao boom removed and crossed by Japanese gunboat.

Mayor O. K. Yui, presiding at last Chinese press conference, announced that his daily meeting with press men would be suspended indefinitely, as Chinese defense lines were removed inland.

- Nov. 12.—Chinese and Japanese troops continued to consolidate their respective positions on the front from Liuho to Chapoo. Japanese officially claimed the capture of Nanziang, Anting and Sungkiang, but because of dislocation of telegraph and telephone communications, these claims could not be confirmed.

Japanese reported to have landed altogether 10,000 troops in Pootung, majority of which were toward the Chekiang coast area to join the main Japanese force there. According to Japanese reports, two columns were heading towards Quinsan, another was moving upon Taichong, while three others proceeding towards Kating.

- Nov. 12.—Wang Ching-wei explained that China's foreign policy should be to ally with all those states opposed to aggression.
- Nov. 12.—Japan declined second invitation to attend the Brussels Conference, according to Tokyo report.
- Nov. 12.—General Liu Hsiang of Szechuen arrived at Nanking to see General Chiang Kai-shek. General Liu declared that he would proceed to the front to direct operations.
- Nov. 12.—Japanese captured Taming, an important city in southern Hopei.
- Nov. 12.—Loyang, important Honan city, raided November 11 by 22 Japanese planes.



- Nov. 13.—Japanese troops pushing westward from Kashan on Shanghai-Hangchow Line said to have reached Wangkiangchin, strategic point on Soochow-Kashing Railway. Capture of Kating by Japanese confirmed. Quinsan and Kashing now immediate objectives of Japanese attack. Soochow Creek now used freely by Japanese naval forces for transporting men and supplies to up-country.

- Nov. 13.—Dr. Wellington Koo appealed to the Powers represented at the Brussels Conference to stop supplies of war for Japan and to send them to assist China.

U. S. Exports to China and Japan

Exports from the United States to Japan during October amounted to \$20,099,000 compared with \$16,701,000 in September and \$26,603,000 for October of the previous year, according to figures published by the Department of Commerce in New York, Dec. 9. Exports to Hongkong during the same month totalled \$4,016,000, compared with \$1,715,000 during the previous month and \$753,000 for the corresponding period last year. During the period under review exports to China were given as \$1,388,000, as against \$1,599,000 during September and \$4,267,000 in October 1936. (all figures U. S. dollars)

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Dollar Liner "President Hoover" Runs Aground South of Formosa

The Dollar liner *President Hoover*, a sister ship of the *Coolidge* (the two being the crack liners of the Dollar fleet), encountered another mishap last week when it ran aground off Hoishoto Island, south of Formosa, Dec. 11. The *Hoover*, it will be remembered was bombed outside of Shanghai Aug. 30 by a Chinese plane, which mistook it for a Japanese troop transport. First reports were that the *Hoover* would probably slide off and sink; later reports stated the ship might have to be dynamited loose. The ship already has a large hole, and was being pounded by heavy seas. There were approximately 650 passengers on board at the time of the mishap, about half of them travelling steerage. The circumstances under which the *Hoover* happened to be in that region are now being investigated.

After spending two nights huddled in makeshift shelters on the barren islands of Hoishoto and Hiyake, the passengers and crew of the *Hoover* were taken off by the Dollar liner *President McKinley*, Dec. 13, and later taken to Manila. Included among those who were transferred to the s.s. *McKinley* were 138 Americans, 286 Filipinos and 13 Japanese. The crew consisted of 235 Americans and 77 Chinese. The Japanese refused the Chinese permission to land.

Meanwhile, a skeleton crew is being maintained aboard the *Hoover*, whose three forward holds are leaking badly.

Attempts to refloat the *President Hoover* are being made by the Japan Salvage Company at the request of the Dollar Steamship Company. The *Mibo Maru*, and the *Yusbo Maru*, Japanese salvage vessels, have proceeded to the scene of the wreck.

Early refloating of the *Hoover* is "quite difficult" because of the prevailing monsoons, according to an official report received by the Gaimusho in Tokyo Dec. 13. The Dollar liner, the report said, lies high on a reef, 250 feet from the shore of the island of Kashoto, 18 miles off the south-eastern coast of Formosa. The bow of the vessel points south-east, while its hull is entirely aground and its holds are flooded.

Responding to the liner's distress calls, Japanese motorboats from Kashoto and the s.s. *Hozan Maru* from Keelung rushed to its aid.

The ship was carrying a cargo of 25,500 gallons of heavy oil and 5,800 tons of miscellaneous cargo, including machinery. In an attempt to lighten the stricken vessel, 1,600 tons of oil were dumped into the sea.

Proper Defence of Hongkong Urged by British Writer

The periodical, "Great Britain and The East," featured an article Dec. 11 by a Far Eastern journalist, R. T. Barrett, drawing attention to the vital importance of Hongkong as the "solitary remaining bar to Japanese dominion in the Far East now that the Chinese Maritime Customs in Shanghai is in the grip of the Japanese." "So long as Hongkong remains a great centre of Anglo-Chinese culture, a trade depot and a British naval base," Mr. Barrett says, "Japan can never feel that she is able to do exactly what she likes with China."

The writer urges that Hongkong must be made safe against aggression, especially against aircraft from Formosa. The keystone of British policy, now and in the future, he adds, must be proper defence of the integrity of Hongkong, the last open door into China.

Hongkong Foresees Heavy Naval Attack by Japanese in South in Near Future

Reports reaching Hongkong Dec. 13 about new dispositions of the Japanese naval forces served to confirm the rumors of an impending big scale Japanese onslaught on South China.

Japanese Sailors Land in British Territory to Pursue Junk Crew

Between 23 and 30 Japanese sailors or marines landed at Patkok on the British side of the border in pursuit of the crew of a junk during the night of Dec. 11. The Japanese landing was definitely within British territory.

Huge Dock at Singapore Now Ready for Use

The giant graving dock at Singapore's Naval Base—large enough to accommodate the biggest capital ship afloat—is ready for use, a Singapore message Dec. 8 stated. The dock is 1,000 feet long and 130 ft. wide. It is 25 ft. longer and 12 ft. wider than the Cunard-White Star liner, *Queen Mary*. It is second in size only to the Southampton dock built for the *Queen Mary*, and including the wharf walls and stores basins, 3,284,859 cubic yards of excavation was necessary.

Canton-Kowloon Rail Service Suspended as Result of Japanese Raid

Seventeen Japanese airplanes made two raids on the Canton-Kowloon and Canton-Hankow Railways Dec. 7.

Three raids were made by Japanese airplanes on the Canton-Hankow and Canton-Kowloon Railways Dec. 9.

As the result of continuous Japanese air raids, the Administration of the Canton-Kowloon Railway Dec. 11 announced temporary suspension of service, according to reports received in Hongkong from Canton.

Of 9,625 shops in Canton, 1,507 have been forced to close their doors as a result of the repeated air raids conducted by Japanese airplanes, according to preliminary statistics compiled by the Kwangtung Provincial Bank.

Conscription of 300,000 able-bodied citizens in Kwangtung for the first period has been completed by the local authorities. After undergoing a period of intensive training, they will be despatched to the front for active service.

Five Hundred Japanese Troops Landed in Kwangtung

Three Japanese warships arrived off Chungshan hsien last week and landed some 500 troops on the Shanchao island, off the coast there. There are altogether twenty-one small islands off the coast at Chungshan. More than ten thousand men of these islands are stubbornly resisting the Japanese troops.

Seven Japanese Planes Bomb Shiuchow

Invading Shiuchow, an important railway town in northern Kwangtung, a fleet of 17 Japanese airplanes dropped more than 30 bombs on the airdrome area Dec. 11. Returning southwards along the Canton-Hankow Railway, six Japanese airplanes appeared over Canton City. Three scouted over the western suburbs while the remainder, flying at a low altitude, machine-gunned the residential area in Honam, the island opposite Canton. The raiders were driven off by anti-aircraft guns; no bombs were dropped.

Chinese Claim to Have Sunk Japanese Destroyer

A Japanese destroyer was sunk and a gunboat hit by artillery fire from the Wutung Forts, north of Amoy, a military dispatch from Amoy reported Dec. 10.

Yunnan-Indo-China Air Line Inaugurated

A regular air line has been opened between Kunmin (Yunnan-fu), capital of Yunnan province, and Hanoi in French Indo-China. This new line connects with the one linking Yunnan with Szechwan and other provinces in the interior.

New Air Service Between Hunan and Hupeh

A new air service between Hunan and Hupeh, operated by the China National Aviation Corporation, was inaugurated at Changsha, Dec. 8.

Southwestern Provinces Linked Together by New Highways

With the completion of a number of highways during the past few months, good road communication now links together the southwestern provinces, including Kwangtung, Kwangsi, Kweichow, and Yunnan.

Ningpo Business Practically Deserted as Result of Japanese Air Raids

Japanese air bombardments have driven the people of Ningpo from the city into the neighboring rural districts. The general exodus from Ningpo began last month when Japanese aircraft began making frequent raids in Chekiang. The business district of Ningpo near the East Gate has been practically deserted, as most of the people have left for the countryside.

Formosans in Fukien Said Maltreated

Maltreatment of Formosans in Fukien, of whom no less than 140 have allegedly been butchered by the Chinese authorities in Amoy alone, was charged by the *Shanghai United News*, a Japanese daily, Nov. 12. A Formosan, who succeeded in making his escape from Amoy, told the Japanese journal that the 1,300 Formosans living in the city received an order to give up their Japanese citizenship soon after the departure of Japanese consular authorities, on Aug. 28.

About 600 of them, the Formosan said, complied with the order. The others fled to Kulangsu, Changchow, Tungan, Shihma and Chuanchow. Many of these, the daily said, were tracked down by the Chinese authorities and shot on trumped-up charges of espionage and other subversive activities.

Listening to Moscow Radio Made a Crime in Germany

Eleven persons were tried at Hamburg, Dec. 11, for high treason, the charge being "plotting to overturn the Constitution by trying to strengthen their Communistic faith by listening in to a Moscow radio station." Three of the accused were sentenced to 2½ years imprisonment with hard labor, four to eighteen months imprisonment with hard labor and one to twelve months imprisonment. The three others, including a woman, were acquitted.

Dr. Wellington Kuo's Speech at Brussels Stresses Japan's Violation of 9-Power Pact

Mail advices from Brussels bring the complete text of the address made by Dr. Wellington Koo Nov. 3 and 4 at the Nine Power Conference on behalf of China. Further to the telegraphic summary printed at the time (The Review Nov. 13, p.212) the following extract from Dr. Koo's speech is important:

"The principal fact of the present situation in the Far East is that Japan has flagrantly violated the terms of the Nine-Power Treaty of February 6th, 1922, to which she has solemnly attached her signature and thereby pledged her respect for it. It is not only a violation against China whose sovereignty, independence, and territorial and administrative integrity have been and are being threatened by Japan's repeated aggression against her, and whose fullest and most unembarrassed opportunity to develop and maintain for herself a stable and effective government has been denied her by the Japanese policy of interference and invasion; it also constitutes a violation against all the other signatory Powers. Japan's pledge under the treaty is not only a pledge to China but a pledge to all other signatory Powers that she would discharge her obligations in accordance with the stipulations of the treaty.

"China, faithful to her signature, has been doing her best to make the treaty respected by Japan. In the last four months she has been defending at tremendous sacrifice of the life and blood of her people her sovereignty, independence, and territorial and administrative integrity against the overwhelming superiority of the Japanese forces of aggression. In doing this she, in fact, defends not only the material interests of the Powers in China but also the general cause of the sanctity of treaties.

"China's resistance has been and remains under severe handicaps of all kinds. It is, however, animated by an undaunted spirit and a determined will. The bravery of the Chinese soldier in the face of the most formidable onslaught of Japanese aggression has given, I hope, no cause for criticism even when judged by the most exacting standard of military gallantry in the world. I cannot believe that the mighty Powers which are represented here at the Conference and which are also parties to the treaty which China has been trying to defend with her limited resources of power and strength will refuse to do their part in upholding the principle of the sanctity of treaty obligations, a principle which forms an essential basis of peace in the world. On the contrary, let me say that China has the utmost confidence in your loyalty and devotion to the stipulation of the treaty which gives the mandate for our conference and in your willingness also to do your utmost in order to make the principle of faith in the pledged word prevail in international relations. Such an effort will as much serve the general interest of civilization itself as render full justice to China."

Norman Davis Says Geneva Conference Served to Enlighten Powers on Far Eastern Situation

Norman Davis, chief American delegate to the Nine-Power Conference, on his arrival in New York, Dec. 12, stated that although the Conference did not attain its principal object, several decisions were arrived at, and it served to enlighten the powers on the Far Eastern conflict. The fact that the Conference did not succeed in settling the Far Eastern dispute, he said, did not mean that it ended in failure. On the contrary, he asserted, the interested nations would continue to study the problems brought out by the Brussels meeting until the dispute was settled. With this object, Mr. Davis declared, the Governments taking part in the Conference would profit by the *sine die* adjournment to study new means of bringing about an end to the hostilities in accordance with the provisions of the Nine-Power Treaty. Finally, he said, the Conference stressed the fundamental principles which should govern international relations. These principles, Mr. Davis concluded, would assert themselves in time.

Britain's Attitude Towards Japan Said "Improved"

"Improvement" in the attitude of the British Government towards Japan was alleged by observers in London, Dec. 9 by *Domei* correspondents, who predicted that, with the fall of Nan-king marking a turning point in the Sino-Japanese hostilities, Britain will adopt a Far Eastern policy "based on realities."

Britain to Defend Her Possessions

The determination of the British Government to defend British possessions, wherever they may be, was reaffirmed in the House of Commons London, Dec. 8 by Anthony Eden, the Foreign Secretary.

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CHINESE TROOPS WITHDRAW FROM NANKING ON ORDERS FROM GEN. CHIANG KAI-SHEK

(Continued from page 66)

along the Yangtze. Should their suggestion be ignored, the Japanese forces "are not in a position to ensure the security of such ships and vehicles," said a notification circulated in the local consular body and diplomatic circles through the Japanese Consulate-General and Embassy. The Japanese forces further disclaimed responsibility for the consequences that may involve foreign-owned vessels and vehicles remaining in the zone of hostilities.

Martial Law in Wuhan Area

General Kuo Chang, Garrison Commander in the Wuhan area—the three cities of Hankow, Woochang and Hanyang—has been appointed concurrently chief officer for the enforcement of martial law in the district.

U.S. Embassy Asks Japanese to Protect Americans in Nanking

The United States Embassy in China requested the Japanese authorities to protect the 10 Americans and their Chinese servants who were remaining in Nanking, according to reports received in Washington Dec. 10.

Seventy Persons in Residential Area of Nanchang Killed by Japanese Bombs

Nanchang was raided by a squadron of Japanese airplanes at 1.15 p.m. Dec. 9. Coming from the direction of the Anhwei-Kiangsi border, the airplanes bombed the city in relays. The raiders were challenged by a squadron of Chinese pursuit planes, which drove off the Japanese after a dog fight on the outskirts. The raiders departed in a south-easterly direction towards the Kiangsi-Fukien border. More than 70 persons in the residential area near the Women's Hospital were killed or injured during the raid.

Japanese reports stated that 25 Chinese planes went up in the air to give battle to the raiders, but only nine of them survived the combat. Reports published in Tokyo said 40 "Soviet-made" airplanes met the Japanese aircraft in a combat. The number of planes shot down was not given.

Viscount Ishii Outlines Japan's Objectives in China

An outline of Japan's objectives in China, including her attitude towards General Chiang Kai-shek and the interests of foreign Powers, was given to the London *Sunday Times* by Viscount Ishii, Japan's goodwill envoy to Europe, in an interview Dec. 12. Japan had no territorial aims in China or Chinese islands, such as Hainan Island, and would continue to respect both the rights and interests of foreign Powers in China so long as the Powers maintained an attitude of strict neutrality, Viscount Ishii declared. These were the two cardinal points in the Japanese policy, he said.

"I am convinced," the envoy proceeded, "that with the fall of Nanking, the Japanese armies will not pursue General Chiang Kai-shek farther into the interior of China. To do so would be to court the disaster that befell Napoleon at Moscow. But Japan must remain in occupation of Nanking until a settlement is reached with Chiang Kai-shek."

"Local Chinese administrations will continue to be left in control wherever they are willing to cooperate with Japan, but if Chiang Kai-shek refuses to come to terms, the Japanese military occupation will have to continue and funds will have to be raised by taxation to support the Army," the Viscount added.

Japanese Residents in Hongkew Celebrate Fall of Nanking

Cheering wildly and waving flags, residents of Shanghai's Japanese community afternoon of Dec. 14 paraded through the gaily decorated streets of the Hongkew district to celebrate the fall of Nanking.

Temporary Lull in Japanese Military Operations?

The *Shanghai Times* Dec. 15 quoted military observers in Shanghai as being of the opinion that the Japanese will hold off for at least two weeks before attempting to continue their military operations in China. The resumption of the campaign, it is believed, will involve either a drive on Hankow or prolonged hostilities in the South.

If the Japanese choose to attack Hankow, it is stated, they will probably do so both from the North and along the Yangtze River.

Conflict Not in Final Stage, Tokyo Authorities Say

Despite victories of Japanese troops in the Nanking area and the fact that capture of that city forms a major objective, it is "still premature" for the nation to conclude that the Sino-Japanese conflict has reached a final stage, Japanese Army authorities declared in Tokyo Dec. 11. They voiced the hope that the nation would not be "too much elated" over victories at Nanking, directing attention to the fact that Japan's realization of whole-hearted co-operation with China—one of her paramount goals—will depend on the future strenuous efforts of the Japanese nation.

The military authorities expressed their desire that the people would honor the souls of the war dead now enshrined in the Yasukuni Shrine, and comfort sick and wounded soldiers, rather

than "indulge in celebrations;" the people should bear in mind that the present achievements had been brought about by the sacrifices of the nation's soldiers, they said.

Fall of Nanking Not End of Hostilities, Tokyo Papers Say

The Tokyo press unanimously agrees that hostilities must be continued after the fall of Nanking.

The *Kokumin* commented: "The fall of Nanking will mean the collapse of the Nanking administration but will impose heavier responsibilities on Japan in connexion with protracted hostilities."

"Japan cannot be satisfied," the *Yomiuri* stated, "with a patched-up peace or inconclusive measures so long as the Kuomintang, whose guiding principle consists of antagonising and excluding Japan, remains in power, even if Wang Ching-wei replaces Chiang Kai-shek."

The *Nichi-Nichi* congratulated the Japanese forces on capturing Nanking, "which, as the main base of anti-Japanese activities, had a disturbing influence on peace and order in the Far East."

Osaka Businessmen Favor Dealing China a "Death Blow"

Osaka businessmen favor the delivery of a death-blow to China for the purpose of preventing a repetition of anti-Japanese movements and ensuring the complete displacement of pro-Communist and pro-Western protagonists, the *Osaka Mainichi* said Dec. 11. The newspaper quoted a statement made by Shingo Tsuda, president of the huge Kanegafuchi Spinning Company, on the subject. "The fall of Nanking," Mr. Tsuda declared, "may be a great military achievement, but from an economic viewpoint, it is still far from Japan's final aim. 'Japanese businessmen desire that military operations be continued to remove the root of all evils still existing in Hankow and Canton. The isolation of Hankow from the Soviet, and of Canton from Britain, is necessary. 'Britain may file a protest to Tokyo,' he concluded, 'but Japan need not fear Britain.' Shozo Murata, president of the Osaka Shosen Kaisha, was quoted by the newspaper as saying: 'We must not be satisfied with Nanking's fall. Besides China we see more enemies behind the screen. To beat these we need stronger military and economic power.'"

China to Fight on Even After Fall of Nanking, Dr. Hu Shih Says

"China will continue the war against Japan whatever happens to Nanking, and even if two to three years' fighting is necessary," declared Dr. Hu Shih in an address at the Newspaperwomen's Club, in Washington, Dec. 9. Dr. Hu Shih asserted that General Chiang Kai-shek had recently cabled him assurances that the fall of Nanking would not end Chinese resistance.

Chinese Main Army Is intact, Says Government Spokesman at Hankow

A *Transocean* message from Hankow Dec. 11 quoted a spokesman of the Chinese Government as saying that only a few divisions of Chinese troops remained in Nanking, since the greater part of them had succeeded in escaping the Japanese encirclement and had withdrawn in a southerly direction on Nanchang. The major part of the Chinese army was, therefore, practically intact and it would be possible, even after the capture of Nanking by the Japanese to reorganize the Chinese troops for a continuation of the fighting the spokesman declared.

Two Japanese Newspapermen Killed While on Duty Near Nanking

Masao Yoshijima, 24 years of age, of the local office of the *Tokyo Yomiuri*, and Yoshio Amano, 26 years old, a cameraman for the influential *Tokyo Asahi*, were killed while on duty in the Nanking war zone Dec. 8. The former was slain by a machine-gun bullet near the front lines at Tangshan, about one kilometre south-east of Nanking. With blood oozing out of a head wound, Mr. Yoshijima was rushed by two cameramen of the *Tokyo* daily to a military hospital near by but all efforts to save his life proved futile. He died three hours later. Mr. Amano was shot dead by a bullet fired from a machine-gun in a Chinese tank, which sought to stem the Japanese advance near Kaokuantow, 12 kims. from Nanking.

Teiichi Makishima, cameraman of the *Dimiti News Agency*, was slightly wounded on the forehead by a shell fragment while taking pictures near Nanking.

Ken-iro Ashizawa, aged 25, of the *Singhii United News*, on Dec. 11 succumbed to wounds received while "covering" a Jukong Road battle on Oct. 22. Another reporter, Shoshun Cho, of the local office of the *Tokyo Asahi*, was injured on his eyes and face on the same date when his automobile set off a land mine, carefully planted on the road about two kilometers southwest of Nanking. Rushed to a field hospital nearby, the newspaperman was given medical aid, which was said to have saved his life.

High Japanese Officer Wounded Near Nanking

Lieut.-Gen. Kesago Nakajima was wounded while directing military operations in the immediate vicinity of Nanking Dec. 7, the Japanese General Headquarters announced in Tokyo Dec. 8.

World Gold Production Reaches New High Record

World gold production, exclusive of Russia, reached a record high of 29,700,000 ounces during the first ten months of 1937, it was announced by the American Bureau of Metal Statistics in Washington, Dec. 9. A total of 2,558,000 ounces were produced in October and 2,520,000 ounces in September, compared with 2,488,000 in October, 1936. The output from January to October reached 24,704,000 ounces compared with 23,128,000 ounces the previous corresponding period. If Russia equals her output of last year, world production will be the highest in history. The United States produced 457,000 ounces in October and 427,000 in September, compared with 450,000 ounces the previous October.

U. S. Gold Shipped to Paris

According to an announcement by the U. S. Treasury Department, U. S. \$5,000,000 worth of gold was shipped to Paris on the *Normandie* Dec. 9. During the previous fortnight \$35,000,000 in gold has been exported to Paris from the United States.

Heavy Gold Shipments in November from Japan to the U.S.

Gold imports into the U. S. during November totalled \$52,194,142 of which \$37,147,634 came from Japan, it was announced by the Department of Commerce Dec. 11. Silver imports during that month had an aggregate value of \$10,632,849.

Bank of Japan Gold Reserves Show Increase

The gold reserves of the Bank of Japan Dec. 10 totalled 801,002,000 Yen, compared with 801,001,000 Yen on Thursday the previous week and 546,720,000 Yen on December 10 last year. This shows an increase of 1,000 Yen from the previous week and an increase of 254,282,000 Yen from last year.

Chinese Silver Not Being Refined in London

A report to the effect that Chinese silver is being refined in London on behalf of the United States Treasury was categorically denied by refiners in London Dec. 8, who informed *Reuter* that the refining is being done on behalf of the Chinese Government. There is no possibility of Chinese silver being unloaded in London, even in the event of the United States stopping purchases, as the first ounce of Chinese silver appearing on the market would cause a rout, recent telegrams from London indicated.

Twenty Millions of Liberty Bonds Sold in Shanghai

More than \$20 millions of Liberty Bonds were sold in Shanghai between Sept. 1 and Nov. 25, according to a detailed report submitted to the Central authorities by Lo Ching-hua, General Secretary of the Shanghai Liberty Bonds Subscription Corps, of which Wang Hsiao-lai, Chairman of the Shanghai City Chamber of Commerce, was the chief.

Chinese Government Banks Not to Close Shanghai Branches

A spokesman of the Central Bank of China Dec. 8 stated that reports that the Shanghai branches of the four Government Banks have decided to close down, is entirely untrue. The spokesman further declared that with the removal of the Head Offices of these four banks, Government business is no longer being conducted by them in Shanghai and that the only activities being carried on here are confined to the maintenance of currency and ordinary business of a commercial nature. He also remarked that the four banks will remain here as long as they are wanted.

Britain and America Protest Against Manchukuo Exchange Control Laws

The British Consul-General at Mukden had protested to the authorities in Hsinking against Manchukuo's discriminatory exchange control laws, which are "in evident contradiction with the principle of the Open Door and with British treaty rights," declared Lord Cranborne, Under-Secretary of State for Foreign Affairs in the House of Commons Dec. 9.

J. Davis Jr., acting United States consul-general at Mukden, also called at the office on the same day and lodged a protest over the application to an American bank of the Foreign Juridical Person Law. The protest was also rejected immediately.

Hsinking Officials Reshuffled

At least five high officials of the Manchukuo Government were affected by a reshuffle, caused by the resignation of two members of the Privy Council, it was announced in Hsinking Dec. 11.

Harumichi Tanabe resigned from the responsible post of Vice-President of the Privy Council, to be succeeded by Toranosuke Hashimoto. Shichitaro Yada was the other member of the Council to tender his resignation. Chuichi Ohashi, Director of the Foreign Affairs Department, and Masatake Futura, Vice-Minister of Justice, were simultaneously appointed members of the Council.

In the United States Court for China

In re.

LAST WILL AND TESTAMENT

of

NORMAN GALUSHA HARRIS,

Deceased

Cause No. 4272

Special Proceedings No. 2151

NOTICE

Filed at Shanghai, China, December 7, 1937.

William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Norman Galusha Harris, deceased, to present the same with vouchers to the undersigned on or before June 11, 1938, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

R. N. Harris,

Special Administrator,

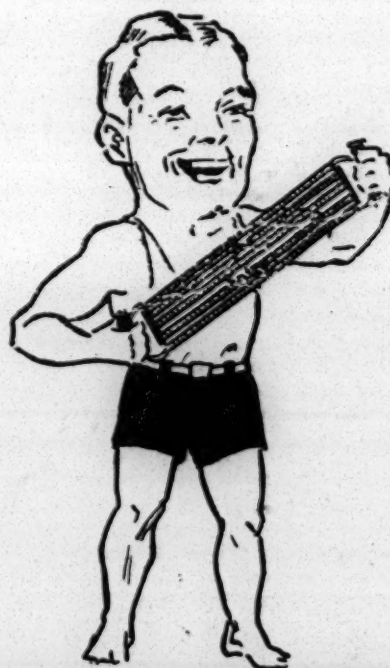
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Soviets Ready to Meet Any Attacker, Says Commissar Molotov

"Soviet Russia has kept out of war for more than sixteen years, but she is now ready to meet any attacker," declared M. Molotov, Chairman of the People's Commissars, in an election address in Moscow, Dec. 10. "Soviet Russia," he stated, "will completely crush her enemies. But the main enemy beyond the borders of Russia is in the camp of bellicose imperialism, especially Fascist countries." Russia was persistently carrying out serious measures to consolidate the defence of the country. "We are strengthening the Red Army and strengthening the defence industry. We desire that every plant and every collective farm should be a fortress to defend our economy and culture."

After a satirical reference to the anti-Comintern pact, M. Molotov stated that "in the event of an armed attack on the Soviet Union, the attacker will feel both the might of our iron self-defence and the power and light of Soviet Ruby stars, which shine far beyond the borders of our country." In another address, made before the All-Union Central Council of Trade Unions, M. Molotov stated: "The Soviet will mercilessly crush and destroy all enemies..... The Soviet now has all the means to crush enemy forces and Fascist bands if they attempt to attack our country."

Tokyo Says Moscow Is "Insincere" in Fishery Talks

Moscow's alleged insincerity in the conduct of the current negotiations for the conclusion of a new Fisheries Convention was scored by a spokesman of the Foreign Office in Tokyo Dec. 11. "As a result of the interminable delays, for which the Soviet Government alone is responsible, the officialdom and the people of this country are now demanding that Japan's vested rights and interests be given full protection," he declared. Despite repeated promises to accelerate the negotiations, the spokesman said, the Soviet Government has displayed "a lukewarm attitude" by delaying the presentation of its proposals for the revision of the existing agreement.

Soviets Hold Air Maneuvers Near Vladivostok

A telegram from Moscow Dec. 13 revealed that Soviet air maneuvers had been carried out on a big scale during the previous few days near Vladivostok and under the personal direction of Marshal Bluecher, Commander-in-Chief of the Soviet Forces in the Far East. According to newspaper reports all crack Polar airmen took part in these maneuvers, which were primarily designed to gain experience in using the air force in semi-Arctic conditions.

Japan Asked to Take Strong Stand Against Russia

Taking exception to Moscow's "faithless attitude," a group of members of the Lower Chamber in Tokyo Dec. 8 petitioned Foreign Minister Koki Hirota to take a "strong stand" against Soviet Russia. Listed as instances of Russia's "insincerity" were the current Soviet-Japanese Fisheries negotiations, the constant controversies in North Saghalien and the dispute over the Soviet treatment of Koreans residing in the Soviet Maritime Province.

Russia Will Take No Action Unless Other Powers Give Support

Russia has informed Great Britain and France she has no intention of acting against Japan unless other Powers offer full support, it was learned by *United Press* from reliable sources.

It was believed the Soviet war and peace policy would await further developments.

The Soviet air strength was said by informed observers to be so formidable as to allow the shipment of 1000 planes to China and still leave Moscow superior to Germany in fighting and bombing aircraft.

Russian Election Sensation—High Official Replaced by Radio Operator

On the eve of the elections to the first Soviet Parliament, Dec. 11 the country was amazed by the news that M. Mezhlauk, Deputy-President of the Council of People's Commissars, had been erased from the list of election candidates. M. Mezhlauk has been replaced by M. Krenkel, wireless operator of the Soviet Arctic expedition now on a drifting ice-floe.

Newspapers, speakers and radio stations throughout Russia urged a 100 per cent poll.

Investigation of Disappearance of Americans in Russia

Cordell Hull, U.S. Secretary of State, Dec. 11 summoned the Soviet Ambassador to the State Department and insisted that the full facts surrounding the recent mysterious disappearance from Moscow of the Americans, Mr. and Mrs. Donald Robinson, be ascertained immediately. Simultaneously, Senator Royal S. Copeland (Democrat: New York) asked the Senate to investigate the matter. Mr. Robinson is a New York author. It is feared that the couple have been arrested by the secret police.

China's "Best Bet" Is Soviet Russia, Hankow Officials Feel

A *Reuter* message from Hankow, Dec. 9, stated that Chinese Government leaders revealed no false optimism or "wishful thought" about the present situation. Talk that Great Britain and America "may do something" is now no longer heard. The Chinese are not even expecting any immediate assistance from Soviet Russia. They have not yet abandoned hope of assistance from Russia, but they realize that she cannot take definite action in the Far East until she feels herself free from possible attack in Europe. The Chinese authorities are perfectly frank about the situation. They state definitely that China's "best bet" is still Soviet Russia. In the early stages of the hostilities, the Chinese Government hoped that Great Britain and America might intervene. There was a chance of reaching some arrangement with Soviet Russia, but this was deliberately postponed for fear that it might prejudice assistance from Great Britain and America. The Sino-Soviet Non-Aggression pact was only signed after the Chinese Government realized that there was little hope of help from these two countries.

Soviet and British Interests in Far East, as Prominent Chinese Journal Views Them

The Hankow *Ta Kung Pao* Dec. 8 commented: "The question of Great Britain joining hands with the U.S.S.R. is bound to arise, unless Britain is willing to withdraw from the Far East. Because the Conservative Party is jealous of Moscow, Britain refused to join the Franco-Soviet Mutual Assistance Pact in Europe and join hands with the U.S.S.R. in the Far East to check the aggressive designs of Japan."

While expressing doubt if the Conservatives would unite with Moscow to face Japan, the journal asserted that if the British Government did not discard her fence-sitting attitude, it would suffer an irreparable loss in Asia.

Recent development in the Shanghai International Settlement, in the opinion of the journal, only marked the beginning of the new situation facing Britain. Wise as the British are reputed to be, the paper said, one is inclined to believe that the situation may soon develop beyond their control.

Referring to Moscow's attitude, the journal frankly expressed surprise. It said that the Soviet foreign policy in recent years has been one of perfecting her own safety. In other words, she concerns herself with her border defence, leaving the Capitalistic Powers to fight it out among themselves.

But Russia would soon be disillusioned, the paper said, because facts have indicated that Japan is bent on establishing a vast Continental Empire. As soon as China's resistance breaks down, Japan will no doubt attack Russia.

What perplexes the people, the journal concludes, is why Russia should sit tight and let Japan strike the first blow when victory or defeat of China directly concerns her own safety.

White Russians Join Anti-Red Front

Destined by its builders to become the center of anti-Communist activities among the White Russians in North China, a Russian Hall was formally opened in Peiping Dec. 12. The Hall will serve as the headquarters of an anti-Red campaign, waged in close cooperation with similar Japanese, German, Italian and Manchukuo organizations.

Sino-Japanese War Said to Be Threatening International Sugar Agreement

The Sino-Japanese conflict threatens to interfere seriously with the international sugar agreement in the opinion of experts in London. China, including Manchukuo, the Kwangtung territory and Hongkong, a *Trans-Ocean* message points out, is the biggest importer of sugar with an annual quota of 560,000 tons. It is however feared that the increasing influence of Japan on the Chinese market will interrupt the distribution policy of the international cartel by limiting the sale of Java sugar in China and will thereby upset all plans of the cartel for production and export. The first session of the International Sugar Council in London in January 1938 is therefore being eagerly awaited.

U. S. Pacific Fleet to Hold Gigantic Exercises Next Spring

The United States Pacific fleet will hold its spring maneuvers in the triangle formed by Hawaii, the Aleutian Islands, and the Pacific Coast, the U.S. Navy Department announced Dec. 11. The maneuvers will bring the fleet to the Samoa Islands, south of Hawaii. Naval circles in Washington declared that the maneuvers are similar to those held last year, and are devoid of all political character. They pointed out that as the fleet will concentrate near Samoa, it will be farther away from Japan than during last year when it concentrated near the Aleutian Islands. About 160 warships and 500 planes will take part in the exercises which will be directed by Admiral Claude Bloch.

Signor Mussolini Announces Italy's Withdrawal from the League

To the wild cheers of 100,000 people, Signor Mussolini announced from the balcony of the Palazzo Venezia in Rome on the night of Dec. 12 that Italy was leaving the League of Nations.

"We are moving forward and away without regret," Il Duce declared, "from a tottering temple, where men do not work for peace but for war." In the course of his address, Signor Mussolini said he was making his important announcement for history, "for our Italy and for our revolution." The good intentions of a certain government, he asserted, were drowned as soon as their delegates came into contact "with the fatal surroundings of the Sanhedrin at Geneva, which is maneuvered by hidden shady sources prejudicial to Italy."

"In these conditions," Il Duce said, "our presence at the door of Geneva is no longer tolerable. The hour has approached when it is necessary to make a choice."

"Are we to remain inside the League?" asked Signor Mussolini.

A thunderous shout of "No" was the answer from the vast throng.

"Are we to go out of the League?" again asked Il Duce.

And the answer this time from the 100,000 people gathered in front of the Palace was "Yes."

Signor Mussolini denied that any pressure had been put on Italy to determine her attitude.

"Our comrades of the axis in Berlin and Tokyo," he declared, "have shown absolute discretion. This is the truth. The withdrawal of Italy from the League is an event of great historical importance, which has drawn the attention of the world and the consequences of which cannot as yet be foreseen."

"It is not for this that we shall abandon our fundamental line of policy, which aims at collaboration and peace."

"During the last few days," Il Duce continued "we have offered luminous proof by creating peace in the Adriatic (apparently referring to the understanding between Italy and Yugoslavia).

"Threatening voices which have been raised from time to time, and which perhaps will be again raised from the flocks of great democracies, leave us perfectly indifferent. They can do nothing against a people like the Italians, who are capable of any sacrifices."

"We have arms in the sky, land and on the sea, both numerous and tempered by two victorious wars," thundered Il Duce. "but above all we have the heroic spirit of the revolution, which no force in the world will ever be able to bend."

America and Britain to Enter Into Debt Payment Negotiations

In a British White Paper issued in London, Dec. 11, on the text of Notes exchanged between the British and American governments regarding the debts due to the United States, an indication is given of the possibility of an early resumption in negotiations. In reply to the American communication, the British Note declares that the British Government has taken cognizance of the readiness of the United States Government to come to an agreement and such negotiations would begin the moment there seemed any justifiable prospects of their being successful.

America Threatened by "New Madness in Night-Shirts"

America was now "far more dangerously threatened by a new madness of nations in night-shirts," declared Harold Ickes, Secretary of the Interior, in a speech at a dinner in New York Dec. 7 given by the American Civil Liberties Union. Comparing the present age to the Klu Klux Klan era in the United States, Mr. Ickes said that "Kleagles Klu Kards (officers of the Klan) now ride in bombers, tanks, battleships and submarines over a field of operations that is international."

In an apparently clear reference to the Sino-Japanese conflict, the speaker remarked: "It is a strange phenomenon that a country which is weak and helpless and, at the same time, rich in resources, is a hotbed of 'Communism' and must, therefore, be saved as a brand from burning by some altruistic fanatic."

Rival Charges Pan-American Airways Withholding Monopoly on Ocean Lines

The Pan-American Airways has a strangle-hold on trans-oceanic travel and is seeking to prevent the Government from subsidizing its competitors, it was charged by J. E. Slater, Vice President of the American Export Lines, in Washington Dec. 8.

Eleven Arrested in Dictatorship Plot in Siam

Eleven persons, including a government official, were arrested in Siam Dec. 11 on the ground that they were plotting to establish a dictatorship.



PAINTS AND PAINT WORK

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In the United States Court for China

JOHN P. KOEHLER
Plaintiff,
vs.
BIRDIE A. KOEHLER
Defendant.

Cause No. 4274
Civil No. 2153
ORDER
Filed at Shanghai, China,
November 29th, 1937.
William T. Collins, Clerk.

The object of this suit is an action for a dissolution of the bonds of matrimony between the parties hereto

WHEREAS, plaintiff herein, by his attorneys, Allman, Davies & Kops, has this 18th day of November, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 18th day of November, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 18th day of November, 1937, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has she resided therein at any time during the past five years, and that defendant's last known address was 1502 Columbia Road, Washington, D.C.

Now, THEREFORE, it is this 29th day of November, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 18th day of December, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 29th day of November, 1937.

MILTON J. HELMICK
Judge.

Men and Events

C. J. Chancellor, general manager of *Reuters* service, went to Hankow this week, traveling by way of Hongkong.

Rene Laurens, sub-manager of *Le Journal de Shanghai*, has resigned. M. Laurens came to Shanghai in May 1929 from *Le Petit Parisien*.

The Right Rev. Yu Pin, the Bishop of Nanking, arrived in Paris, Dec. 8 by air from Rome, and sailed for New York three days later.

After a series of exercises off the Algerian Coast, a French naval division composed of three of the latest armored cruisers, the *Gloire*, *Georges Leygues* and *Montcalm*, left Algiers, Dec. 9 for the Far East.

Mrs. Charles H. Laura, nee Juliet Bredon, daughter of Lady Bredon, well-known hostess in Peking, died of heart disease in San Francisco Dec. 11. Mrs. Laura had been visiting in California after an absence of 25 years.

Sepp Rist, noted German actor and a champion skier in his own country, has arrived in Japan to take a leading role in "A View of Two Peoples," a film to be made jointly by Japanese and German motion picture interests.

Seven Chinese cotton yarn mills in the western district of Shanghai have recently been reopened, thanks largely to the efforts of the Shanghai Municipal Council in inducing the manufacturers to resume operations, a Chinese report stated.

The Canadian Pacific Line announces that Trans-Pacific sailings will be resumed when the *Empress of Russia* will call here Jan. 28 enroute to Vancouver. No news of the resumption of Dollar Liner sailings has so far been received here.

Noboru Ogawa, of the Gaimusho's Information Bureau, arrived in Shanghai this week on the s.s. *Nagasaki Maru*, for the avowed purpose of gathering information which would assist the Foreign Office to "offset Chinese propaganda."

One of the oldest foreign hotels in China, the British-owned Bridge House Hotel, was struck by a shell, set on fire and destroyed, Dec. 11. The proprietress of the Hotel, Mrs. C. Sim, evacuated with other British residents of Nanking on Dec. 9.

With the arrival in Alameda, Dec. 6 of the *China Clipper* newsreel companies and picture agencies were taxed to capacity in the attempt to deal with the largest load of China war films ever to be sent to the United States in a single shipment by the air.

The U.S. State Department Dec. 8 announced that the American Consul-General in Hankow, Paul Josselyn, had requested the Hunan Government to make every effort to rescue an American priest, the Rev. Cyprian Frink, who was captured by Chinese bandits in Kaotsum, Hunan.

A large number of bales of cotton was destroyed or damaged during the morning of Dec. 12 by a fire at the Sung Sing Cotton Mill No. 7 in Yangtzepoo Road, near the D.K.K. Wharf. The first and second floors of the building were swept by the flames. The Shanghai Fire Brigade extinguished the fire.

The Shanghai *Evening Post* reported this week that hundreds of Chinese laborers are being drafted daily by the Japanese military authorities for work in the Hongkew and Yangtzepoo districts. These laborers report for work at the City Government Ferry Pontoon off Peking Road early every morning and are paid on a wage basis of \$1 per day.

The request of the Shanghai City Chamber of Commerce for permission to ship rice and vegetables from certain districts in Chekiang to Shanghai has been granted by Dr. Chu Chia-hua, the outgoing Chairman of the Chekiang Provincial Government. The reply stated that the District authorities of Wenchow, Taichow and Ningpo have been instructed to give all facilities for the shipment of foodstuffs from these districts to Shanghai.

The Shanghai Power Company has started to supply electric light and power to consumers in the extra-Settlement roads area of Chapei which was formerly served by the Chapei Power Company, a Chinese enterprise, as well as by the Shanghai Power Company itself. The resumption of service in the district is the result of unofficial negotiations between the S.P.C. and the Japanese who are now in Chapei and who are returning to the district in increasing numbers.

Ten correspondents of the semi-official Soviet news agency *Tass* arrived in Hankow Dec. 4 and later left for the northern, eastern and southern China fronts to cover the fighting at first hand. It is the general opinion among correspondents of other nationalities that the arrival of the *Tass* correspondents is somehow linked with the reports of new Soviet planes, which are alleged to be handled by Soviet aviators and which are now being used by the Chinese air force.

Members of the staff of the *Russian Daily News*, 620 Avenue Joffre, had a narrow escape from serious injury on the night of Dec. 8 when a hand grenade exploded after it had been placed on a window ledge by an unidentified foreigner, believed to be a Russian. Eye-witnesses stated that the man drove up to the offices of the newspaper and placed the grenade on the ledge of a window in the type-setting department. A few seconds after the man had left, the missile exploded, shattering the window, but failing to harm anyone.

James Mills, correspondent for the *Associated Press*, formerly in charge of the office in Tokyo and later transferred to Shanghai at the beginning of the crisis here, has gone to Hankow where he intends to remain for the present.

Public drawings of the 24th Year (1935) Electric Power Loan (Ninth Drawing) and of the 25th year (1936) Consolidation Loan, Class E, were held at the premises of the Chinese Bankers' Association, in Shanghai, Dec. 10, in the presence of the representatives of the Ministries of Communications, and of Audit, the Chinese Chamber of Commerce, the Chinese Bankers' Association, the Native Bankers' Guild, and the Loan Service Sinking Fund Administrative Commission, with Li Ming, the Chairman of the Loan Service Sinking Fund Administrative Commission presiding.

A Chinese plumber named Hsu Chien-hsi, who was wounded by two bullets fired by an Italian marine while working in the compound of the Salvation Army refugee camp on Ferry Road, died from his wounds at the Lester Chinese Hospital at 5.40 o'clock p.m. Dec. 18. A joint investigation into the shooting affair was being conducted by the Italian authorities and the Settlement police, according to Chinese reports. It is alleged that the Italian was on Friday afternoon having target practice with his service rifle when two bullets from his gun passed through a fence of the refugee camp and hit the plumber. The Italian marine is still being detained under military arrest, it is reported.

All Chinese daily papers and one English-language daily in Shanghai were served with a circular notice on Dec. 13 by the Japanese Press Censorship Bureau, announcing that censorship would be imposed on these papers from Dec. 15. The papers affected were asked to submit proofs of all material for publication to the Japanese Press Censorship Bureau for approval. The Japanese also asked that publicity should be given to the so-called "Ta Tao (Great Way) City Government" and other organizations. These latter bodies should in no way be ridiculed. Upon receipt of the notice, the publishers of the papers held a meeting to discuss the matter and as a result the *Shun Pao* and *Ta Kung Pao* immediately suspended publication.

Sixth U.S. Marines to Be Withdrawn from Shanghai

Withdrawal of the Sixth Regiment of U.S. Marines from Shanghai at the discretion of Admiral Harry E. Yarnell, Commander-in-Chief of the Asiatic Fleet, was announced in Washington Dec. 10 by the Navy Department. The Department emphasized that this does not mean a general withdrawal of Marines from China as the Fourth Regiment would continue its China duty. The Sixth Regiment is expected to embark on the U.S.S. *Chaumont*, naval transport, when that ship makes its regular call in Shanghai. The Sixth Marines, commanded by Col. T. S. Clarke, arrived in Shanghai in the *Chaumont* from the Marine Base at San Diego, California, on Sept. 19. The regiment will return to San Diego.

The U.S. Legation Guard in Peiping, having a history of 37 years, since its creation following the Boxer Rebellion, as well as the Fifteenth Infantry Regiment of the U.S. Army, would be similarly withdrawn, according to the *Hearst* newspapers.

Talkie of President Roosevelt's Chicago Speech Not to Be Heard Here

The Shanghai *Evening Post* Dec. 14 called attention to the fact that Clarence E. Gauss, American Consul General in Shanghai, when appealed to by the China distributors for Twentieth Century Fox, Fed Inc., U.S.A., against the decision of the Shanghai Municipal authorities to permit the presentation of the "talkie" reproducing parts of President Roosevelt's speech at Chicago several months ago, replied that he "does not feel that he can intervene in this particular case in view of the local situation." In his Chicago speech President Roosevelt said, among other things, that the foundations of civilization were being threatened by a reign of international lawlessness and that Americans could not hope for mercy or escape the consequences.

Chinese Say One of the Japanese Aviators Recently Captured Is a Woman

A Japanese "flying amazon" has been "bagged" by Chinese anti-aircraft batteries in Canton, according to a Chinese report from Hongkong last week. While engaged in the bombing of the Shihlung station on Saturday, the report stated, one of four Japanese planes was brought down. The machine crashed and was located by Chinese military authorities on the foot of the Chiteng Hill. Of the three occupants, one was killed and two seriously wounded. One of the wounded, according to the Chinese report, was a woman. Both of them have been captured and are being given good treatment, the report added.

New Books of Interest in the Far East

The Japan-Manchukuo Year Book

Japan-Manchukuo Year Book, 1937 Issue. Togo Sheba, Publisher and Editor. Published by Japan-Manchukuo Year Book Co., Toyo Building, Uchiyamasbata-cho, Kojimachi-ku, Tokyo. 1,305 pp. Price U.S.\$7.50 or 30 shillings.

No other nation on earth issues so much propaganda and literature concerning itself, in a foreign language, as Japan. Hundreds of well written, carefully compiled, painstakingly edited, attractively bound and expensively printed books, tomes, handbooks, pamphlets and brochures have been issued by the Japanese or Manchukuo Governments and private individuals during the past few years explaining Japan's viewpoint regarding Manchukuo, and Manchukuo's viewpoint regarding Japan, with exhaustive tables and whatnot showing that Paradise is "just around the corner" in the Three Northeastern Provinces where "Wangtao" has been the guiding principle for these past six years.

My library contains scores of books on this subject given me by Japanese officials in Hsinking, Peiping, Tientsin, Shanghai, Dairen, Tokyo—everywhere I went, in fact. Japanese officials apparently are given a huge supply of these volumes which they must pass out and the poor foreigner who ventures within range is loaded down with a trunkful of these weighty volumes which would require months to read. I doubt if anyone has read them through except the authors, of course, and the proof-readers.

There is much valuable information and data scattered among these volumes and the research worker, student of Far Eastern affairs, librarian or other interested person, is very reluctant to throw them away. The solution of that perplexing problem is at hand. The Year Book under review contains the meat of all the literature which now clutters up the bookshelf. The others can be discarded safely. The Year Book belongs on the shelves of every library, editor, writer, Japan observer and others to whom such information is useful.

The book contains 1,305 pages, 1,200 tables, maps with 4,000 names of places, four appendices, viz., Who's Who, Business Directory, Bibliography, and Learned and Social Institutions, in addition to an excellent general index. One half of the book is devoted to Japan and the remainder to Manchukuo. A great many improvements are noted over the three previous editions, although the issue at hand follows the same general pattern as the previous numbers.

For both Japan and Manchukuo, chapters are devoted to geography, history, geology, population, emigration, Imperial Court, administration system, politics and political parties, diplomacy, national defense, religions, education, judicature, medicine and sanitation, press and publications, arts and crafts, public works, communications, labour, social problems, industry, transportation, shipping and shipbuilding, public and local finance, banking, insurance, agriculture, sericulture, forestry, fishery, mining, trade, foreign trade, sports, and additional sections for Jehol, Hsingan, South Sea Islands, Japanese Saghalien, Formosa, Korea and North China.

The huge mass of information, including numerous of the more important political speeches and descriptions of current events, is presented in an entirely orderly as well as graphic manner. The printing is large and clear.

Yet the book has its limitations. It lay on my desk for four days awaiting review, during which time I had occasion to seek information on two important subjects: opium production in Jehol and some facts about the White Russian population in Manchukuo. There is nothing about either matter in the Year Book.

The absence of information on opium production must be due to deliberate suppression; it simply cannot be attributed to oversight. Opium has become almost the sole crop produced during the last three years in Jehol, according to official reports published—in the Japanese language. Under the head "Poppy," the Year Book states that "Under the previous Chinese rule poppy was openly cultivated in Jehol as in many other provinces in China." Nothing about the present opium crop is reported, the editor of this section attempting to imply that the poppy is no longer grown in Jehol!

In the chapter on "Press and Publications" in Japan, the naive statement is made that "Opposition papers can attack a government policy with perfect impunity." We wonder if the opposition papers could attack the present policy of invading China and enjoy "perfect impunity."

Another complaint against the Year Book is that so many of the figures and facts are too old. I wonder if sufficient effort has been made to thoroughly revise the 1937 edition.

Many of the tables carry statistics only to the year 1932 and most tables include nothing later than 1933 or 1934, which does seem tardy for a 1937 Year Book. Japan, with her genius for compilation and detail, certainly must have later data available. The reading matter also needs to be brought up to date.

Some of the statements made by the editors appear rather bizarre in view of subsequent events. For instance, in the intro-

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In the United States Court for China

CHARLES EDGAR
PIERCE,
Plaintiff.

vs.

AURORA MATILDA
PIERCE,
Defendant.

Cause No. 4279
Civil No. 2157
ORDER OF
PUBLICATION
Filed at Shanghai, China,
Dec. 7, 1937.
William T. Collins,
Clerk.

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by his attorneys, has this 7th day of December, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 7th day of December, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 7th day of December, 1937, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor never has she resided therein since the last three years, and that defendant's last known address was 13 B Street Vallejo, California.

NOW, THEREFORE, it is this 7th day of December, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, SHANGHAI, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 24th day of December, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 7th day of December, 1937.

MILTON J. HELMICK

Judge.

ductory remarks to the chapter on Japanese diplomacy, the following statement is made:

"At this moment, however, one predominant fact, at least, cannot be overlooked in regard to Japanese diplomacy. A new spirit has been projected into it since Mr. Koki Hirota, the present Premier, assumed the portfolio of Foreign Affairs in 1934. For some time until his coming Japanese diplomacy had been regarded in many quarters as a shadow of militarism, as a gesture to cloak the mind bent on pursuing its end by crude methods. Whatever truth there was in such view, it is not to be denied that the Japanese people now have a feeling that diplomatic machinery is in the hands of a true diplomat."

A statement of that nature looks rather out of place in the light of what has happened in China since that was written a year or two ago.

The Year Book represents the efforts of many writers and experts which accounts for the fact that some chapters are superficial and misleading, some are full of propagandist poppycock and others are intelligent, factual and exceedingly well written.

This reviewer was particularly struck with the clear, straightforward, honest manner in which the chapter on "Japan's Industrial Outlook in North China," Supplement 1 to the Japan section, is handled. The writer of this chapter did not insult the reader's intelligence by stating that the peasants of the Hopei plain arose as one man to throw off the yoke of Nanking, create an autonomous area in North China and beg the Japanese to aid them in forming an anti-Communist front.

That is the best written chapter in the Year Book. The writer first explains when and why Japan committed herself definitely to her "Continental policy" in September, 1931, when the Mukden Incident occurred. Japan's creation of the East Hopei Anti-Communist Government and attempts to wrest a five province autonomous regime in North China, are explained without any hokum. The divergent views held by the political, economic and military cliques of Japan as to how Japan should gain her ends in North China, are then summarized tersely but well, with the conclusion that "Whoever has followed the work of the Japanese military in Manchuria can have little doubt which of these three bodies of opinion will eventually prevail." The writer of that chapter was certainly correct. The remainder of the chapter deals with agriculture, trade, mining, industry, finance, and other important phases of North China and Japan interests therein.

The Year Book is recommended highly, but at the same time the reviewer hopes that the contents next year will be brought up to date, that the sins of omission will be rectified and the writer of the chapter on North China be assigned forty or fifty more chapters to prepare in 1938.

E. H. L.

Rambles in the Hawaiian Islands

Roaming in Hawaii, by Harry A. Franck, Frederick A. Stokes Co., New York, 1937. 349 pages.

Many people have stopped in their journeys across the Pacific to see the Hawaiian Islands, but nobody travels with the efficient thoroughness of Harry Franck, who, during his three months in Hawaii, learned of things unknown to the average resident of the Enchanted Islands—for very few of Hawaii's citizens travel among the eight islands which compose the major portion of the archipelago.

Most visitors confine their trips to Honolulu and the Island of Oahu, but if they venture farther afield they see only the "Big Island," Hawaii, with possibly a short trip to Maui or Kauai. But Harry Franck not only visited these four major islands, he also saw the tiny, eroding island of Kahoolawe, the pineapple plantations on Lanai, and (of unusual interest to everybody) the model leper colony on the island of Molokai (famous as the home of the Cockeyed Mayor of Kaunakakai). The eighth of the major island group not even a Harry Franck could visit; it is Niuhau, Hawaii's mystery island, owned entirely by a British family, which provides the only exception to the spirit of friendliness that exists throughout Hawaii.

Mr. Franck began his trip through Hawaii during the eruption of the volcano of Mauna Loa (long mountain) in December 1935. Contrary to popular belief, Hawaiians do not flee from the eruption but make every effort to get to the "Big Island" to see it, and the spectacle is well worth every effort. After the bombing of the lava flow by Army flyers followed, not immediately, by the cessation of the eruption, he delved into all the corners of Hawaii, visiting the extensive cattle ranches, the Kona district, and the Kohala coast, original stamping ground of Kamehameha the Great.

His visits to the other islands were exhaustive, including not only the tourist sights, such as Haleakala, the Crater of the Sun, on Maui, and the "Garden Island," Kauai, but also the hidden recesses which the ordinary tourist never hears about. Consequently his book is an excellent geographical description of the former Sandwich Islands. But the book is more than that, for Harry Franck also delved into the mysteries of Hawaii's economy, which is based, in order of importance, upon sugar, pineapples, tourists and cattle. This economy is rigorously controlled by Hawaii's "Big Five"—the families who really determine the destinies of the islands. Very diplomatically he avoids delving too deeply into the mysteries that surround the development of these families to power, but then, any adequate discussion of the subject would require a book in itself, and that certainly was not his purpose. Furthermore, the subject has already been discussed in various

volumes and has been proved both ways—that the missionaries stole the land from the Hawaiians, and that the missionaries did not steal the land.

Furthermore, Mr. Franck gives an excellent outline of the race problem which Hawaii faces. With practically every known variety of the human species represented in the islands, it is impossible in one small book to give more than an outline of the huge problem which evolved largely along with the development of Hawaii's present economy. His description of this problem is short but accurate, so far as it goes. One might wish a fuller discussion of the social effects of the racial mixture in Hawaii, but then, one can't have everything in one short book.

In one of the last chapters of his book Mr. Franck deals with the political problems of Hawaii, a territory of the United States, which conducts its elections according to a method all its own and which is developing a full fledged movement for statehood. The reasons for this movement for statehood Mr. Franck does not make clear, although he does touch lightly on sugar interests and tariffs and the desire of Hawaii's heterogeneous population to become full-fledged citizens of the United States with complete representation in Congress.

Although there are some aspects of the Paradise of the Pacific that might have been treated more completely, and a reference to Oahu's 2000 foot Pali (which even the most proud Hawaiian says is only a thousand feet high), the book is surprisingly complete and accurate. The main aspect about Hawaii is that anybody who has ever lived there will never admit that any author, no matter how famous, can recapture or portray the scintillating tropical beauty and the rich interest of the various people's who go to make up the Territory of Hawaii. F. W. G.

Two Books on European and Pacific Politics

Changing Governments Amid New Social Problems, edited by Ryllis Alexander Goslin, The Foreign Policy Association, New York. Gold \$2.25.

This booklet is number eleven of the Headline Books that are being offered by the Foreign Policy Association dealing with current world topics. As those previously issued, it is presented in a form graphic and readable giving summaries of situations in forms easy to grasp and well edited so that either students or busy people can gain a comprehensive knowledge of the situations presented. This booklet is a survey of the present governments of France, Italy, Germany, Russia and Denmark. The vivid illustrations dealing with Unemployment, housing conditions, industrial production, wholesale prices, exports and imports add greatly in giving a clear picture of happenings in these countries, and why the existing Regimes continue in power.

Pacific Problems, by Joseph Ralston Hayden, University of Minnesota Press, Minneapolis. Gold \$2.50.

The University of Minnesota, in its attempt to stimulate discussion and to do and encourage frontier thinking on social, scientific, economic, and cultural lines, is publishing the series, of which Pacific Politics is the March, 1937 number, offering information and interpretations by distinguished leaders in all lines of thought. This brochure dealing with the emancipation of the Far East from Western domination is ably presented by Dr. Hayden of the Political Science Department of the University of Michigan, at one time vice-governor of the Philippine Islands and twice visiting member of the University of the Philippines. After discussing China's development and resistance to Japan's aggression, the latter's Northern Asiatic policy, and her southward expansion, the Commonwealth of the Philippine and the dangers confronting it, he concludes with a summary of the fundamental facts. If all the Day and Hour Series are as stimulating as the present issue, the University will have accomplished her purpose. M. C.

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